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OFFICE OF THE
AUDITOR GENERAL
MANITOBA

Audit of the Public Accounts for the year ended March 31, 2009

Public Sector Compensation Disclosure Reporting December 2009

Our Vision

That the Office of the Auditor General is an accessible, transparent and independent audit office, serving the Manitoba Legislature with the highest standard of professional excellence.

Our Mission

To contribute to effective governance by the Manitoba Legislature, we provide the Members of the Legislative Assembly with independent assurance and advice on:

- government accountability information;
- compliance with legislative authorities; and
- the operational performance of government.

Our Values

In Interpersonal Relationships

Respect	Honesty
Integrity	Openness

In Achieving Our Vision

Teamwork	Balanced Perspectives
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and is available on our website:

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OFFICE OF THE
AUDITOR GENERAL
MANITOBA

December 2009

The Honourable George Hickes
Speaker of the House
Room 244, Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Sir:

I have the honour to transmit herewith my report titled, *Audit of the Public Accounts for the year ended March 31, 2009 (including report on: Public Sector Compensation Disclosure Reporting)*, to be laid before Members of the Legislative Assembly in accordance with the provisions of Sections 10(1) and 28 of *The Auditor General Act*.

Respectfully submitted,

Original document signed by:
Carol Bellringer

Carol Bellringer, FCA, MBA
Auditor General

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Introductory Comments

Chapter 1: Audit of the Public Accounts for the year ended March 31, 2009

Chapter 1 of this report summarizes the results of our work for the Audit of the Public Accounts for the year ended March 31, 2009.

The Auditor General Act (the Act) requires me to report to the Assembly by December 31st in each year about the examinations and audits conducted under Section 9 of the Act. This section of the Act relates to audits of the Public Accounts and other financial statements included in the Province's Public Accounts.

At the end of each audit, we issue an "audit opinion" which is published in conjunction with the individual entity's financial statements and which states whether the statements present fairly the financial position and results of operations in accordance with "generally accepted accounting principles" (GAAP). GAAP are standards established by the Canadian Institute of Chartered Accountants (CICA) and its Public Sector Accounting Board (PSAB).

When we conduct a financial statement audit, it is done so in accordance with "generally accepted auditing standards" as set out by the CICA, and which is designed to result in an audit opinion on the financial statements. It is important to note that a financial statement audit is not designed to detect fraud, to evaluate internal controls or to identify management weaknesses. However, we would report significant matters should they come to our attention. There were no such matters that came to our attention which need to be brought forward to the Assembly this year.

Under section 10(2) of our Act we are required to report to the Legislature any matters of significance arising from our financial statement audits. During the upcoming fiscal year we will be exploring how to enhance the information which the Legislature receives as a result of our financial statement audit work.

We are pleased to report that for 2008/09 the Province received an unqualified audit opinion on its Summary Financial Statements, which means that the summary statements present fairly in all material respects the financial position and results of operations in accordance with GAAP.

We are also pleased that for 2008/09 the Province produced one set of audited general purpose financial statements, being the Summary Financial Statements which encompass the consolidated financial position and operating results of the Government Reporting Entity (GRE). This change and other highlights of the 2008/09 audit are discussed in **Section 1.0** of this report.

We encourage the Assembly to be mindful that the Core Government represents only one segment of the government operations, and does not reflect the operations of crown organizations which the government controls nor the unfunded pension liability for which the Province is responsible. In addition transfers to and from the Fiscal Stabilization and Debt Retirement accounts from Core Government operations have no impact on the annual financial results. Therefore, the Summary Financial Statements should be used to obtain information about the financial condition of the Province.

Also included in this report is a section on Understanding the Summary Financial Statements (**Section 2.0**), a discussion on the convergence of Canadian accounting standards to International Financial Reporting Standards (**Section 3.0**), and a discussion on Other Financial Reports in Public Accounts (**Section 4.0**). The last section contains a follow up of our prior years' recommendations (**Section 5.0**). **Section 5.0** summarizes the status of seven outstanding recommendations from previous years, three of which have been resolved, three of which remain in progress, and one which the Government does not intend to implement. Through these recommendations we are encouraging the setting of targets for financial indicators as well as the development of a government-wide disaster recovery plan and a review of the use of security software tools to better manage risk. We also continue to report that the transition to quarterly reporting in accordance with GAAP is in progress and note that the plan remains for this to take place in 2009/10.

Chapter 2: Public Sector Compensation Disclosure Reporting

In Chapter 2 we report on the results of our examination of how compensation paid to senior employees is disclosed in Manitoba. Our goal was to assess whether the Government can improve compensation reporting. We found that while disclosure practices are consistent with those of most other provinces, Manitoba's reports are not readily accessible to the Legislative Assembly and the public. The threshold for compensation reporting has not been updated since 1996, and results in capturing more than just senior employees. We have made recommendations for improvement in these areas.

We would like to take this opportunity to express our appreciation to the officials in the Department of Finance and the various audited organizations for their ongoing cooperation during the course of our audits.

Chapter 1:
Audit of the Public Accounts for the year ended March 31, 2009

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1.0 Highlights of the Audit of Public Accounts for the 2008/09 Fiscal Year

The 2008/09 fiscal year represents the first time that the Province produced the Summary Financial Statements for the government reporting entity as the single set of general purpose financial statements made available publicly. This change resulted when the Province amended *The Balanced Budget Fiscal Management and Taxpayer Accountability Act* to require its annual operating results to be reported only on a summary basis.

These Summary Financial Statements for the Public Accounts were prepared in accordance with generally accepted accounting principles (GAAP). We are pleased that we were able to provide the Province with an unqualified audit opinion on its financial statements for the year ended March 31, 2009. The issuance of Summary Financial Statements, prepared in accordance with GAAP, resolves our previously reported concerns.

The 2008/09 Public Accounts include a number of changes in financial statement presentation from the previous year which we wish to draw to the attention of the Legislative Assembly. These changes are disclosed in the audited financial statements and conform to GAAP.

Highlights for the 2009 Public Accounts include the following:

- The Province has now fully implemented its accounting policy for environmental liabilities related to mitigation and remediation of contaminated sites. It began accounting for environmental liabilities in 2005/06, and adopted a three-year transition period to identify and quantify its environmental liabilities. In 2008/09, the site identification was completed. The Province has recorded environmental liabilities of $540 million as of March 31, 2009.
- The Province changed the trust arrangements associated with funds invested with the Civil Service Superannuation Fund (CSSF) and the Teachers' Retirement Allowances Fund (TRAF). The trusts are now irrevocable and the Province can use the trust funds only to reduce its pension obligations associated with these pension plans. As a result, these funds (previously classified as portfolio investments) are now classified as pension plan assets. In accordance with GAAP, they are recorded as a reduction to the Province's pension plan obligations associated with CSSF and TRAF in schedule 7 to the Summary Financial Statements which is reproduced in **Appendix A**. In addition to this change, GAAP permits the Province to amortize any gains and losses that result from changes in the

fair value of the plan assets over the estimated average remaining service life of employees.

- In prior years, the Province issued debentures for Manitoba Hydro and loaned the proceeds to Hydro. Under GAAP, neither the debt nor the corresponding loan of the proceeds was reflected in the Province's Summary Financial Statements although they were disclosed in the schedule of borrowings in prior years. That is because, while the debt was issued by the Province, in economic substance it belonged to Hydro. (GAAP requires transactions to be recorded in financial statements based on their economic substance, not on their legal form.)

  The Province later bought back $1 billion of these debentures and held them as portfolio investments (sinking funds). In its financial statements, the Province netted the $1 billion investment against its borrowings - the accepted accounting treatment when the Province buys backs its own debentures. Upon further investigation during this year's audit, it was determined that the $1 billion should not have been netted because the original debt was not included in borrowings.

  There was no impact on net borrowings (borrowings less sinking fund investments).

  The Province corrected the presentation resulting in an increase in 2008/09 to both portfolio investments and borrowings of $1 billion. The 2007/08 comparatives were also restated to correct this presentation. This change only affected financial statement presentation, not the main financial indicators such as net debt, net income, or accumulated deficit.

2.0 Understanding the Summary Financial Statements

2.1 What is Included in the Summary Financial Statements

The Summary Financial Statements reflect the financial position and annual results of all organizations in the GRE. The GRE consists of Core Government (government departments and special funds) and all organizations the Province controls. Public Sector Accounting Standards define control as the power to govern the financial and operating policies of an organization. The list of organizations in the GRE is in Schedule 9, pages 108-111, in the *Government of the Province of Manitoba Annual Report for the year ended March 31, 2009*, and it is

also reproduced in **Appendix B** of this report. Organizations in the Manitoba GRE include Government Business Enterprises (GBEs), public schools, government not-for-profit organizations and other government organizations.

GBEs are organizations that generate their revenues from exchange transactions. Their operations are self-sustaining and they do not rely on government funding to support their operations. The GBEs are Manitoba Hydro-Electric Board, Manitoba Public Insurance Corporation, Workers Compensation Board, Manitoba Liquor Control Commission, and Manitoba Lotteries Corporation.

2.2 Who Conducts the Audits

As per section (2) of *The Auditor General Act*, *"the Auditor General is responsible for examining and auditing public money which is not part of the Consolidated Fund unless an Act provides otherwise"*. Over time the enabling legislation for government organizations has established the audit appointment process in a variety of ways. The Acts for some government organizations require the Auditor General to perform their financial statement audit, while the Acts for other government organizations permit them to choose a private sector auditor to conduct the audit. Some Acts also allow the Lieutenant Governor in Council to appoint the auditor, who may be the Auditor General.

The Office of the Auditor General (OAG) audits many organizations in the Government Reporting Entity. The others are audited by private sector auditors appointed by the Government or the crown organization itself. Our involvement with private sector auditors' work, has allowed us to rely on their audit work and opinions in forming our audit opinion on the Summary Financial Statements. As discussed below, *The Auditor General Act* also gives us authority over the appointed auditors of crown entities. We obtain written representations from the private sector auditors on their independence and compliance with generally accepted auditing standards.

Appendix C lists the government entities that we audit and those that private sector firms audit.

As the next section outlines, in auditing the Summary Financial Statements, we gain an understanding of the financial reporting issues for the entire GRE, in the context of how these might affect the Summary Financial Statements.

2.2.1 Relationship with Private Sector Auditors

The Auditor General Act

The Auditor General, as the auditor of the Public Accounts of the Government of the Province of Manitoba, reports on whether the Government's Summary

Financial Statements are fairly presented in accordance with public sector accounting standards for senior governments.

Because the financial statements of many government entities in the GRE are audited by private-sector auditors, the Auditor General must also be able to rely on the work of these external auditors. *The Auditor General Act* (the Act) specifies the Auditor General's authority over the external auditors and the responsibilities of the external auditors to the Auditor General as auditors of government entities.

Section 13 of the Act authorizes the Auditor General to rely on the report of an external auditor of a government entity to fulfill his or her responsibilities as the auditor of the government accounts. Professional auditing standards, namely Section 6930 of the CICA Assurance Handbook, permit reliance on the work of another auditor if the Auditor General is satisfied that the audit has been properly planned, executed, completed and reported. The Act was proclaimed in early May 2002, and since then we have expanded our role in the financial statement audits of government entities audited by private sector auditors. We review the planning, execution and completion stages of these audits, as necessary to let us rely on their audit work for our audit of the Summary Financial Statements.

In addition we regularly attend audit committee meetings as part of our external auditor reliance process to ensure we gain a sufficient understanding of the entity for the purposes of our audit of the public accounts.

2.3 Financial Reporting Model for Summary Financial Statements

The reporting model for the Summary Financial Statements as prescribed by the Public Sector Accounting Standards Board includes five key elements: net debt, accumulated surplus or deficit, annual surplus or deficit, change in net debt for the year, and cash position and cash flow for the year. Each element helps users understand how the government managed its financial resources for the year, plus its year end financial position. **Figures 1-4** have excerpts from the Summary Financial Statements for the 2008/09 fiscal year that illustrate the key parts of the model. The following discussion refers to page numbers in the Province's Annual Report available on its website at www.gov.mb.ca/finance/financialreports.html.

Figure 1

PROVINCE OF MANITOBA
PUBLIC ACCOUNTS 2008/09

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at March 31, 2009

SCHEDULE		($ millions) 2009	2008
	FINANCIAL ASSETS		
	Cash and cash equivalents (Note 2)	1,968	2,199
	Temporary investments (Note 2)	689	586
1	Amounts receivable	1,110	1,177
	Inventories for resale	11	10
	Portfolio investments (Note 3)	2,174	4,492
2	Loans and advances	595	565
3	Equity in government business enterprises (Note 4)	2,189	2,697
4	Other long-term investments	9	8
	Total Financial Assets	8,745	11,734
	LIABILITIES		
5	Borrowings	14,664	14,555
6	Accounts payable, accrued charges, provisions and unearned revenue	3,576	3,308
7	Pension liability (Note 5)	2,003	4,470
	Total Liabilities	20,243	22,333
	NET DEBT	(11,498)	(10,599)
	NON-FINANCIAL ASSETS		
	Inventories	36	36
	Prepaid expenses	38	36
8	Tangible capital assets	6,520	5,934
	Total Non-Financial Assets	6,594	6,006
	ACCUMULATED DEFICIT	(4,904)	(4,593)

Contingencies (Note 6)
Contractual Obligations (Note 7)

The accompanying notes and schedules are an integral part of these financial statements.

Figure 2

PROVINCE OF MANITOBA
PUBLIC ACCOUNTS 2008/09

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF REVENUE AND EXPENSE
For the Year Ended March 31, 2009

($ millions)

	2009 Budget	2009 Actual	2008 Actual
REVENUE			
Income tax			
Corporation income tax	299	386	367
Individual income tax	2,312	2,455	2,285
Other taxes:			
Retail sales tax	1,469	1,486	1,391
Fuel taxes	227	229	248
Levy for health and education	344	357	341
Mining tax	128	46	100
Education property tax	654	657	646
Other taxes	498	573	562
Fees and other revenue	1,377	1,757	1,628
Federal transfers:			
Equalization	2,063	2,063	1,826
Canada Health and Canada Social Transfers	1,224	1,263	1,210
Shared cost and other	619	540	561
Net income from government business enterprises (Schedule	668	807	947
Sinking funds and other investment earnings	441	296	384
TOTAL REVENUE (Schedules 10 and 11)	12,323	12,915	12,496
EXPENSES			
Health and Healthy Living	4,371	4,586	4,232
Education	3,249	3,154	3,224
Family Services and Housing	1,331	1,321	1,224
Community, Economic and Resource Development	1,478	1,582	1,420
Justice and Other Expenditures	992	972	974
Debt Servicing (Note 8)	806	830	864
TOTAL EXPENSES (Schedules 10 and 11)	12,227	12,445	11,938
NET INCOME FOR THE YEAR	96	470	558

The accompanying notes and schedules are an integral part of these financial statements.

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Figure 3

PROVINCE OF MANITOBA
PUBLIC ACCOUNTS 2008/09

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
For the Year Ended March 31, 2009

($ millions)

	2009 Budget	2009 Actual	2008 Actual
Net Income for the year	96	470	558
Tangible Capital Assets			
Acquisition and reclassification of tangible capital assets	(586)	(978)	(1,027)
Amortization of tangible capital assets	-	375	359
Disposal of tangible capital assets	-	17	43
Net Acquisition of Tangible Capital Assets	(586)	(586)	(625)
Other Non-Financial Assets			
Increase in inventories	-	-	(5)
Increase in prepaid expenses	-	(2)	(5)
Net Acquisition of Other Non-Financial Assets	-	(2)	(10)
Adoption of accounting policy on financial instruments	-	-	(23)
Other Comprehensive Income (Loss) (Schedule 3)	-	(781)	358
(Increase) Decrease in Net Debt	(490)	(899)	258
Net Debt, beginning of year, as restated (Note 9)	(10,432)	(10,599)	(10,857)
Net Debt, end of year	(10,922)	(11,498)	(10,599)

The accompanying notes and schedules are an integral part of these financial statements.

Figure 4

PROVINCE OF MANITOBA
PUBLIC ACCOUNTS 2008/09

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CASH FLOW
For the Year Ended March 31, 2009

($ millions)

	2009	2008
Cash and cash equivalents provided by (used in)		
Operating Activities		
Net Income for the year	470	558
Changes in non-cash items:		
Temporary investments	(103)	(323)
Amounts receivable	57	(61)
Valuation allowance	(22)	(3)
Inventories	(1)	(3)
Prepaids	(2)	(5)
Accounts payable, accrued charges, provisions and deferrals	268	249
Pension liability	(225)	278
Amortization of foreign currency fluctuation	6	6
Amortization of debt discount	(7)	(4)
Unamortized gains and losses on derivative contracts	(22)	(3)
Loss on disposal of tangible capital assets	17	43
Amortization of tangible capital assets	375	359
	811	1,091
Adoption of accounting policy on financial instruments	-	(23)
Other Comprehensive Income (Loss)(Schedule 3)	(781)	358
Changes in equity in government business enterprises	508	(766)
Cash provided by operating activities	538	660
Capital Activities		
Acquisition of tangible capital assets	(978)	(1,027)
Cash used in capital activities	(978)	(1,027)
Investing Activities		
Investments purchased	(1,427)	(2,398)
Investments sold or matured	1,452	605
Cash provided by (used in) investing activities	25	(1,793)
Financing Activities		
Debt issued	4,031	3,720
Debt redeemed	(3,847)	(1,821)
Cash provided by financing activities	184	1,899
(Decrease) in cash and cash equivalents	(231)	(261)
Cash and cash equivalents, beginning of year	2,199	2,460
Cash and cash equivalents, end of year	1,968	2,199

The accompanying notes and schedules are an integral part of these financial statements.

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Net Debt (Figure 1) is the difference between total financial assets and total liabilities of a government. As noted by PSAB, Net Debt is an important indicator of the Government's financial condition. It represents the future revenues that the government will have to generate to pay for past transactions and events. Net Debt is reported on the Consolidated Statement of Financial Position on page 73 (2009 Annual Report). It is important to distinguish Net Debt from Gross Borrowings (issued debt). Gross Borrowings of a government refer to the total issued debt by the Government (past and present) and include short-term and long-term issued debt.

Schedule 5 on page 103 (2009 Annual Report), reproduced in **Appendix D**, provides details of the Province's Gross Borrowings.

Figure 5 below presents the Gross Borrowings and Debt Issued on Behalf of GBEs for the past five years.

Figure 5

Public Accounts of the Province of Manitoba Borrowings					
	2005	**2006**	**2007**	**2008**	**2009**
Gross Borrowings (includes Debt Issued on behalf of GBEs)	$20,272	$20,366	$20,918	$22,462	$23,325
Debt Issued on behalf of GBEs included in Gross Borrowings	$6,215	$6,862	$6,837	$7,322	$8,008

Gross Borrowings represent all debt issued by the Province, including debt issued on behalf of GBEs and any debt issued by the Province which it has bought back to hold as sinking fund investments. As indicated in Schedule 5 to the Summary Financial Statements and as discussed in **Section 1.0** of this report, these items are deducted from Gross Borrowings to determine Borrowings for the Consolidated Statement of Financial Position. Debt Issued on behalf of GBEs is also reflected in Schedule 3 to the Summary Financial Statements (**Appendix E**).

Gross borrowings increased by approximately $3 billion over the past five years, primarily due to an increase of $1.8 billion in Debt Issued on behalf of GBEs and a net increase in other borrowings of $1.2 billion to finance the Province's investment in tangible capital assets and pension assets.

As the Consolidated Statement of Financial Position (**Figure 1**) shows, total liabilities consist of Borrowings, Accounts Payable, and Pension Liabilities.

The Accumulated Surplus or Deficit (**Figure 1**) represents the difference between the government's total assets and total liabilities. It indicates the extent to which a government has resources to pay for future services. The accumulated deficit

of the Province is shown on the Consolidated Statement of Financial Position on page 73 (2009 Annual Report).

The Annual Surplus or Deficit (**Figure 2**) represents the difference between total revenues from operations during the year and total expenses (costs) incurred during the year. The annual surplus for 2008/09 is shown as Net Income for the year on the Consolidated Statement of Revenue and Expense on page 74 (2009 Annual Report).

The Change in Net Debt (**Figure 3**) for the year represents the extent to which sufficient revenues were raised during the year to support government spending for both operating and capital purposes. The Consolidated Statement of Change in Net Debt is on page 76 (2009 Annual Report).

The Cash Position and Cash Flow (**Figure 4**) provides information on how the government has managed its cash during the year and its sources of cash flow and use of cash resources. The Consolidated Statement of Cash Flow is on page 77 (2009 Annual Report).

2.4 Framework of Financial Reporting for Entity Level and Summary Financial Statements

The Summary Financial Statements are prepared in accordance with generally accepted accounting principles (GAAP) for senior governments which are issued by the Public Sector Accounting Board (PSAB) in the *Public Sector Accounting Handbook*.

The revenues, expenses, assets and liabilities of all organizations in the GRE (except GBEs) are fully consolidated into the Government's Summary Financial Statements, as public sector accounting standards require.

GBEs' financial results are reflected in the Summary Financial Statements on the modified equity basis of accounting. This requires only GBEs' net income to be reflected in the Consolidated Statement of Revenue and Expense, as indicated in **Figure 2** and only GBEs' equity (assets minus liabilities) to be reflected in the Consolidated Statement of Financial Position (**Figure 1**). Under the modified equity method of accounting (unlike the full consolidation method) transactions between GBEs and the rest of the GRE are not eliminated on consolidation. And GBEs' equity and net income are not restated to conform to the Government's basis of accounting for inclusion in the Summary Financial Statements.

The net income and financial position for each GBE is reflected in Schedule 3 to the Summary Financial Statements (**Appendix E**).

The majority of organizations in the GRE prepare their entity-level financial statements in accordance with the *Canadian Institute of Chartered Accountants*

(CICA) Accounting Handbook, which has accounting standards for profit-oriented enterprises and not-for-profit organizations. But school divisions prepare their entity-level financial statements in accordance with public sector accounting standards from the *Public Sector Accounting Handbook*. Using more than one set of standards in the public sector for preparing entity level financial statements adds complexity to the preparation of the Summary Financial Statements.

A significant change in accounting standards currently underway is the move from Canadian to International Financial Reporting Standards (IFRS) for publicly accountable enterprises in Canada. This change and its potential impact on the Summary Financial Statements are discussed in **Section 4.0** of this report.

2.5 Financial Instruments and Other Comprehensive Income

New accounting standards for financial instruments were introduced in the CICA Accounting Handbook within the past few years. Financial instruments include financial assets such as cash, accounts receivable, investments, and financial liabilities such as accounts payable and borrowings. In general all financial assets and financial liabilities which have been created through a contract are considered to be financial instruments.

The accounting standards require organizations to value their financial instruments at either market price or cost. Under both these methods, the carrying value of financial instruments could change at each fiscal year end. But PSAB has not yet implemented new accounting standards for financial instruments. And existing standards require governments to value all financial instruments at cost in their Summary Financial Statements. To the extent that government organizations other than GBEs have implemented these accounting standards for their own financial statements, there is no impact on the Summary Financial Statements because the financial position and annual results of all organizations other than GBEs are converted to PSAB GAAP before inclusion in the Summary Financial Statements.

Since GBEs follow the CICA Accounting Handbook for their financial reporting, they have adopted the new standards for accounting for financial instruments.

GBEs' financial results are not converted to PSAB GAAP before inclusion in the Summary Financial Statements. As a result, any changes in the value of GBEs' financial instruments will either flow through to their net income for the year or be allocated to other comprehensive income (OCI) in their entity-level financial statements. Net income for GBEs is reflected in the consolidated statement of revenue and expenses (**Figure 2**). OCI, on the other hand, is reflected as a

component of change in net debt in the Summary Financial Statements (**Figure 3**). The distinction between showing the change in value as a net-income change or as a change in net debt generally depends on whether the GBE holds the investment to actively trade it or for the long term.

2.6 Core Government Results

Schedule 11 to the Summary Financial Statements provides a breakdown of net income from the Summary Financial Statements between the Core Government and other organizations in the GRE. This schedule is reproduced in **Appendix F**. As previously noted, Core Government comprises the operations of government departments (but do not reflect the increase in the Government's pension liability). Core Government spending is approved by the Legislative Assembly through *The Appropriation Act*.

The summary budget is tabled and approved through a vote of the Legislative Assembly. The budgets of other organizations in the GRE are approved by their boards.

3.0 Convergence of Canadian GAAP to International Financial Reporting Standards and How This Affects the Financial Reporting by Government Organizations

As we noted in our report last year, Accounting Standards in Canada are in the process of transitioning to International Financial Reporting Standards (IFRS) for publicly accountable enterprises. Publicly accountable enterprises include all organizations that file financial statements with a securities commission or other regulatory organizations for purposes of trading in a public market.

Aside from publicly accountable enterprises, other organizations that follow the CICA Handbook for their financial reporting consist of private enterprises and not-for-profit organizations, including not-for-profit organizations within the GRE. The CICA will continue to set accounting standards for these organizations, and is currently determining what set of standards these organizations should follow for financial reporting.

Public Sector Accounting Standards are also not converging to IFRS. PSAB will continue to set standards for Canadian public sector reporting.

The Province and all local and senior governments in Canada will continue to prepare Summary Financial Statements in accordance with public sector accounting standards.

The scheduled date for conversion to IFRS from Canadian GAAP for publicly accountable enterprises is for fiscal years beginning on or after January 1, 2011. As a result, all government organizations that currently follow the CICA Handbook for their financial reporting will be impacted, because this guidance is being replaced by IFRS.

The introduction to the *Public Sector Accounting Standards Handbook* provides guidance to government organizations on the accounting framework to follow, based on the type of the organization:

1. *Government Business Enterprises (GBEs)*

   As noted previously GBEs are organizations that generate most of their revenue from exchange transactions, and do not rely on government funding to support their operations.

2. *Government Not-For-Profit Organizations*

   These are organizations who operate primarily for social, educational or other not-for-profit purposes, and who have counterparts outside the public sector.

3. *Other Government Organization*

   All government organizations who are not GBEs or government not-for-profit organizations are included in this category.

The Public Sector Accounting Standards Board (PSAB) recently reviewed this guidance and has decided that:

- GBEs (item 1 above) must adopt IFRS.
- Government not-for-profit organizations (item 3) should follow the prescribed standards for such organizations (Currently these organizations follow the CICA Handbook and the not-for-profit accounting standards contained in the Handbook. PSAB is reviewing what standards these organizations should use in the future and is considering whether these organizations should move to public sector accounting standards).
- Other government organizations (items 3) will have a choice between public sector accounting standards and IFRS, depending on which standards best meet their financial reporting requirements.

The Department of Finance has been providing oversight to government organizations on this issue over the past year.

For example, during 2008/09, the Department of Finance gave government organizations checklists to help them assess what type of government organization they are based on the PSAB Handbook criteria. Finance has engaged in ongoing discussions with government organizations to help them complete the assessment and determine how they will be impacted by the change in standards.

As accounting standards change, we encourage the Department of Finance to continue working with government organizations to help them prepare for any changes that might affect them.

4.0 Other Financial Reports in Public Accounts

We provide audit opinions on several other financial reports in the Public Accounts Volumes in addition to Summary Financial Statements.

4.1 Statement of Calculation of Balance under the Balanced Budget, Fiscal Management and Taxpayer Accountability Act

Changes to the Balanced Budget Legislation (BBL) require the Province to present a statement showing the "balance" which is the average net income or loss of the four most recent fiscal years as reflected in the audited Summary Financial Statements. As a result of these changes, 2008/09 is the first fiscal year that the test to determine whether the Province maintained a positive balance is based on the net results of the GRE.

For 2008/09 the statement prepared by the Province showed a positive balance. We issued an unqualified audit opinion on this statement. The statement is included in section 2 of Volume One of the Public Accounts. It is important to note that we do not comment on any aspects of government policy. Our unqualified opinion provides assurance that the Government has complied with the legislation, not that we agree or disagree with the policy decisions imbedded in the BBL.

4.2 Fiscal Stabilization Account - Statement of Transfers and Account Balance

The former Fiscal Stabilization Fund has been continued as the Fiscal Stabilization Account under *The Financial Administration Act*. The Province is required to present a statement showing the balance and any transfers to or from the account for the fiscal year. The amount of any transfers is at the discretion of the Minister of Finance. This was the first year for this statement and we issued an unqualified audit opinion on it. This statement is included in Section 2 of Volume One (Annual Report) of the Public Accounts.

The significance of this account changed because of the changes in BBL this year. Under the former BBL transfers to or from the Fiscal Stabilization Fund directly affected the balance used to determine if BBL requirements were met. BBL compliance was based on achieving a positive annual result in the Operating Fund after considering such transfers. But under the new BBL, transfers to and from the account are not factors in the balanced budget test. Instead, the test is based on the financial results of the GRE as a whole, not on the Operating Fund in isolation.

In the Summary Financial Statements, the Fiscal Stabilization Account is simply an allocation within the Summary Financial Statements. Transfers between the Fiscal Stabilization Account and the Operating Fund, have no impact on the overall financial position of the Province, and can be compared to transfers between an individual's savings and chequing accounts which have no impact on an individual's over all net worth.

4.3 Debt Retirement Account Statement of Transfers and Account Balance

The former Debt Retirement Fund has been continued as *The Debt Retirement Account under The Balanced Budget, Fiscal Management and Taxpayer Accountability Act* (the Act). The Province has to present a statement showing the balance and any transfers to or from the account. This was the first year for which the Province presented this statement and we issued an unqualified audit opinion on it. This statement is included in Section 2 of Volume One of the Public Accounts.

Under the Act the purpose of the account is to assist in the repayment of debt. Transfers to the account are shown in the budget and on Schedule 11 of the Summary Financial Statements as a reduction of the net results of the Core Government operations.

The Debt Retirement Account is an allocation of the accumulated deficit, similar to the Fiscal Stabilization Account. Therefore, any transfers to or from it do not

affect summary net income. And the balance of the account does not affect the Financial Position of the Province. It is important to note that the balance in the debt retirement account has been set aside for the purposes of retiring debt, but debt is not reduced until the Province uses these funds to pay down its debt. BBL requires the Province to use the balance in the Debt Retirement Account to pay down its debt at least once every five years.

4.4 Schedule of Public Sector Compensation Payments of $50,000 or More

This financial information is required by *The Public Sector Compensation Disclosure Act*. This schedule reports all employee compensation of $50,000 or more that was paid to employees of the Core Government in 2008/09. We issued an unqualified audit opinion on this information. This audited information is included in Volume Two of the Public Accounts.

4.5 Report on Amounts Paid or Payable to Members of the Assembly

This financial information, required by *The Legislative Assembly Act*, presents amounts paid and payable to Members of the Legislative Assembly for the fiscal year. We issued an unqualified audit opinion on this information. This audited information is included in Volume Three of the Public Accounts.

5.0 Follow up of Prior Years' Recommendations

Each year, in our report to the Legislative Assembly on the Audit of Public Accounts, we provide recommendations to the Government where we identify opportunities for improvement in financial management and reporting processes.

The status of implementation of our prior years' recommendations is as follows:

Recommendation	Status
That the Government provides guidance to organizations in its Reporting Entity that are currently expected to adopt IFRS with respect to what course of action should be taken.	Implemented/Resolved.
That the Government set targets for the financial indicators which it reports on in the financial statement discussion and analysis, and report back against actual performance as compared to target in its annual report.	Do not intend to implement Updated balanced budget legislation (October 2008) reflecting the shift to summary budgets and financial reporting, included the requirement for an annual financial management strategy (FMS). The FMS includes a description of the government's objectives for measurable outcomes for the end of the fiscal year and for the future. An annual report on FMS outcomes must be tabled in the Legislative Assembly, ensuring that government is clearly accountable for its financial performance.
That the quarterly reports of the Province be prepared in accordance within the framework of generally accepted accounting principles.	Work in progress. Expected to be implemented in 2009/10.
That purchasing approval rights awarded to users in SAP be aligned with their delegated business authorities.	Implemented/Resolved.
That the Provincial Comptroller's Office in collaboration with the CIO's Office ensure that a government wide disaster recovery plan is developed and tested to ensure that critical business functions can be continued by recovering computer processing capabilities in the case of an event which disrupts computer servicing services or facilities.	Work in progress.

Recommendation	Status
That the Provincial Comptroller's Office in collaboration with the CIO's Office review the use of security software tools to better manage the risks involving users with incompatible duties.	Work in progress.
That the Province of Manitoba further assist departments to improve performance measurement and reporting through guidance based on the CICA Statement of Recommended Practice on public performance reporting.	Implemented/Resolved.

Appendices

Appendix A

Schedule 7 - Consolidated Statement of Pension Liability

SUMMARY FINANCIAL STATEMENTS

SCHEDULE 7

CONSOLIDATED STATEMENT OF PENSION LIABILITY

As at March 31, 2009

	Civil Service Superannuation Plan	Teachers' Pension Plan	Post-Secondary Education Plans (Note A)	Public School Division Plans (Note A)	Other Plans (Note A)	Total 2009	Total 2008
					($ millions)		
ACCRUED BENEFIT OBLIGATION							
Obligation at beginning of year as restated (Note B)	1,886	2,640	1,160	322	94	6,112	5,673
Current service costs	65	69	44	13	3	194	189
Interest cost on benefit obligation	142	170	67	20	6	405	408
Change in actuarial (gains) losses and reserves	(37)	-	(72)	(4)	(2)	(115)	103
Plan amendment	-	-	-	-	-	-	58
Benefits paid	(89)	(135)	(84)	(16)	(4)	(328)	(319)
Obligation at end of year	1,977	2,744	1,115	335	97	6,268	6,112
PLAN ASSETS							
Plan assets at beginning of year as restated (Note B)	-	-	1,178	353	35	1,566	1,589
Employer contributions	70	55	20	7	3	155	246
Employee contributions	-	-	18	6	1	25	27
Transfer of plan assets (Note 3)	396	1,847	-	-	-	2,243	-
Plan asset contributions	413	-	-	-	-	413	-
Benefits paid	(89)	(135)	(84)	(16)	(4)	(328)	(319)
Expected return on plan assets	25	117	68	(21)	1	190	95
Experience gains (losses)	(90)	(365)	(248)	-	(7)	(710)	(42)
Market value of plan assets	725	1,519	962	329	29	3,554	1,566
Deferred investment losses (gains)	72	292	180	-	-	554	(28)
Market related value of plan assets	797	1,811	1,142	329	29	4,108	1,538
PENSION LIABILITY							
Plan deficit (surplus)	1,180	933	(27)	6	68	2,160	4,574
Unamortized actuarial gains (losses)	17	(208)	34	(4)	(7)	(168)	(145)
Surplus adjustments (Note C)	-	-	9	(2)	4	11	41
Pension Liability	1,197	725	16	-	65	2,003	4,470
PENSION EXPENSE							
Defined benefit pension plan expense:							
Current service cost	65	69	44	13	3	194	189
Interest cost on benefit obligation	142	170	67	20	6	405	408
Return on plan assets	(25)	(117)	(68)	21	(1)	(190)	(95)
Employee contributions	-	-	(18)	(6)	(1)	(25)	(23)
Amortization of actuarial (gains) losses	(5)	15	(7)	-	(1)	2	(4)
Plan amendment	-	-	-	-	-	-	58
Change in surplus adjustments	-	-	(1)	(41)	-	(42)	(4)
Defined benefit pension plan expense	177	137	17	7	6	344	529
Defined contribution pension plan expense	-	-	3	15	103	121	106

Appendix A (cont'd)

Schedule 7 – Consolidated Statement of Pension Liability

SUMMARY FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PENSION LIABILITY

As at March 31, 2009

SCHEDULE 7

	Civil Service Superannuation Plan	Teachers' Pension Plan	Post-Secondary Education Plans (Note A)	Public School Division Plans (Note A)	Other Plans (Note A)	($ millions) Total 2009	Total 2008
ACCRUED BENEFIT OBLIGATION							
Obligation at beginning of year as restated (Note B)	1,896	2,640	1,160	322	94	6,112	5,673
Current service costs	65	69	44	13	3	194	189
Interest cost on benefit obligation	142	170	67	20	6	405	408
Change in actuarial (gains) losses and reserves	(37)	-	(72)	(4)	(2)	(115)	103
Plan amendment	-	-	-	-	-	-	58
Benefits paid	(89)	(135)	(84)	(16)	(4)	(328)	(319)
Obligation at end of year	1,977	2,744	1,115	335	97	6,268	6,112
PLAN ASSETS							
Plan assets at beginning of year as restated (Note B)	-	-	1,178	353	35	1,566	1,559
Employer contributions	70	55	20	7	3	155	246
Employee contributions	-	-	18	6	1	25	27
Transfer of plan assets (Note 3)	396	1,847	-	-	-	2,243	-
Plan asset contributions	413	-	-	-	-	413	-
Benefits paid	(89)	(135)	(84)	(16)	(4)	(328)	(319)
Expected return on plan assets	25	117	68	(21)	1	190	95
Experience gains (losses)	(90)	(368)	(248)	-	(7)	(710)	(42)
Market value of plan assets	725	1,516	952	329	29	3,554	1,566
Deferred investment losses (gains)	72	292	190	-	-	554	(28)
Market related value of plan assets	797	1,811	1,142	329	29	4,108	1,538
PENSION LIABILITY							
Plan deficit (surplus)	1,180	933	(27)	6	68	2,160	4,574
Unamortized actuarial gains (losses)	17	(208)	34	(4)	(7)	(168)	(145)
Surplus adjustments (Note C)	-	-	9	(2)	4	11	41
Pension Liability	1,197	725	16	-	65	2,003	4,470
PENSION EXPENSE							
Defined benefit pension plan expense:							
Current service cost	65	69	44	13	3	194	189
Interest cost on benefit obligation	142	170	67	20	6	405	408
Return on plan assets	(25)	(117)	(58)	21	(1)	(180)	(95)
Employee contributions	-	-	(18)	(6)	(1)	(25)	(23)
Amortization of actuarial (gains) losses	(5)	15	(7)	-	(1)	2	(4)
Plan amendment	-	-	-	-	-	-	58
Change in surplus adjustments	-	-	(1)	(41)	-	(42)	(4)
Defined benefit pension plan expense	177	137	17	7	6	344	529
Defined contribution pension plan expense	-	-	3	15	103	121	106

Schedule 9 - Funds, Organizations and Business Enterprises Comprising the Government Reporting Entity

Appendix B

PROVINCE OF MANITOBA
PUBLIC ACCOUNTS 2008/09

SCHEDULE 9

FUNDS, ORGANIZATIONS AND BUSINESS ENTERPRISES COMPRISING THE GOVERNMENT REPORTING ENTITY

HEALTH AND HEALTHY LIVING

- Manitoba Health
- Addictions Foundation of Manitoba
- CancerCare Manitoba
- Diagnostic Services of Manitoba Inc.
- Manitoba Health Research Council
- Manitoba Health Services Insurance Plan
- Manitoba Hospital Capital Financing Authority
- Regional Health Authorities (including controlled organizations)
  - Assiniboine Regional Health Authority Inc.
  - Brandon Regional Health Authority Inc.
  - Burntwood Regional Health Authority Inc.
  - Churchill RHA Inc.
  - Interlake Regional Health Authority
  - NOR-MAN Regional Health Authority Inc.
  - North Eastman Health Association Inc.
  - Parkland Regional Health Authority Inc.
  - Regional Health Authority - Central Manitoba Inc.
  - South Eastman Health/Santé Sud-Est Inc.
  - Winnipeg Regional Health Authority
- Rehabilitation Centre for Children Inc.

EDUCATION

- Manitoba Advanced Education and Literacy
- Manitoba Education, Citizenship and Youth
- Assiniboine Community College
- Brandon University
- Collège universitaire de Saint-Boniface
- Council on Post-Secondary Education
- Red River College
- University College of The North
- University of Manitoba
- University of Winnipeg
- Manitoba Text Book Bureau
- Public School Divisions
- Public Schools Finance Board

FAMILY SERVICES AND HOUSING

- Manitoba Family Services and Housing
- Child and Family Services of Central Manitoba
- Child and Family Services of Western Manitoba
- First Nations of Northern Manitoba Child & Family Services Authority
- First Nations of Southern Manitoba Child & Family Services Authority

Appendix B (cont'd.) Schedule 9 - Funds, Organizations and Business Enterprises Comprising the Government Reporting Entity

PROVINCE OF MANITOBA
PUBLIC ACCOUNTS 2008/09

SCHEDULE 9
(cont'd)

FAMILY SERVICES AND HOUSING, cont'd

General Child and Family Services Authority
Manitoba Housing and Renewal Corporation
Métis Child and Family Services Authority

COMMUNITY, ECONOMIC AND RESOURCE DEVELOPMENT

Manitoba Aboriginal and Northern Affairs
Manitoba Agriculture, Food and Rural Initiatives
Manitoba Competiveness, Training and Trade
Manitoba Conservation
Manitoba Infrastructure and Transportation
Manitoba Intergovernmental Affairs
Manitoba Science, Technology, Energy and Mines
Abandonment Reserve Fund
Communities Economic Development Fund
Cooperative Loans and Loans Guarantee Board
Cooperative Promotion Board
Crown Lands and Property Agency
Economic Innovation and Technology Council
Ethanol Fund
Farm Machinery and Equipment Act Fund
Fleet Vehicles Agency
Food Development Centre
Green Manitoba Eco Solutions
Horse Racing Commission
Industrial Technology Centre
Manitoba Agricultural Services Corporation
Manitoba Development Corporation
Manitoba Education, Research and Learning Information Networks (Merlin)
Manitoba Floodway Authority
Manitoba Habitat Heritage Corporation
Manitoba Opportunities Fund Ltd.
Manitoba Trade and Investment Corporation
Manitoba Trucking Productivity Improvement Fund
Manitoba Water Services Board
Materials Distribution Agency
Mining Community Reserve
Mining Rehabilitation Reserve
Pineland Forest Nursery
Quarry Rehabilitation Reserve
Tire Stewardship Board
Veterinary Science Scholarship Fund

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Schedule 9 - Funds, Organizations and Business Enterprises Comprising the Government Reporting Entity

PROVINCE OF MANITOBA
PUBLIC ACCOUNTS 2008/09

SCHEDULE 9
(cont'd)

JUSTICE AND OTHER EXPENDITURES

Legislative Assembly
Executive Council
Civil Service Commission
Manitoba Culture, Heritage, Tourism and Sport
Manitoba Finance
Healthy Child Manitoba
Manitoba Justice
Manitoba Labour and Immigration
Manitoba Seniors and Healthy Living Secretariat
Board of Administration under the Embalmers and Funeral Directors Act
Centre culturel franco-manitobain
Civil Legal Services
Companies Office
Crown Corporations Council
Helen Betty Osborne Foundation
Insurance Council of Manitoba
Land Titles Assurance Fund
Legal Aid Manitoba
Leaf Rapids Town Properties Ltd.
Manitoba Arts Council
Manitoba Boxing Commission
Manitoba Centennial Centre Corporation
Manitoba Community Services Council Inc.
Manitoba Film and Sound Recording Development Corporation
Manitoba Gaming Control Commission
Manitoba Hazardous Waste Management Corporation
Manitoba Law Reform Commission
Manitoba Product Stewardship Corporation
Manitoba Securities Commission
Office of the Fire Commissioner
Organization and Staff Development
Special Operating Agencies Financing Authority
Sport Manitoba Inc.
The Property Registry
The Public Trustee
Travel Manitoba
Venture Manitoba Tours Ltd.
Victims Assistance Fund
Vital Statistics Agency

Appendix B (cont'd.) Schedule 9 - Funds, Organizations and Business Enterprises Comprising the Government Reporting Entity

PROVINCE OF MANITOBA
PUBLIC ACCOUNTS 2008/09

GOVERNMENT BUSINESS ENTERPRISES: (Schedule 3) (Note 4)

Utility:
Manitoba Hydro-Electric Board

Insurance:
Manitoba Public Insurance Corporation
Workers Compensation Board

Finance:
Manitoba Liquor Control Commission
Manitoba Lotteries Corporation

SPECIAL ACCOUNTS AND FUNDS, not attached to a Sector or Department

Pension Assets Fund
Debt Retirement Account
Fiscal Stabilization Account

Who Conducts the Audits

Appendix C

Summary of Who Conducted the Audits

(OAG - Office of the Auditor General; PSA - Private Sector Auditors)

	Audits Conducted By	
	OAG	PSA
HEALTH AND HEALTHY LIVING		
Manitoba Health	X	
Addictions Foundation of Manitoba		X
CancerCare Manitoba		X
Diagnostic Services of Manitoba Inc.		X
Manitoba Health Research Council		X
Manitoba Health Services Insurance Plan	X	
Manitoba Hospital Capital Financing Authority	X	
Regional Health Authorities (including controlled organizations)		
Assiniboine Regional Health Authority Inc.		X
Brandon Regional Health Authority Inc.		X
Burntwood Regional Health Authority Inc.		X
Churchill RHA Inc.		X
Interlake Regional Health Authority		X
NOR-MAN Regional Health Authority Inc.		X
North Eastman Health Association Inc.		X
Parkland Regional Health Authority Inc.		X
Regional Health Authority - Central Manitoba Inc.		X
South Eastman Health/Santé Sud-Est Inc.		X
Winnipeg Regional Health Authority		X
Rehabilitation Centre for Children Inc.		X
Personal Care Homes		X
EDUCATION		
Manitoba Advanced Education and Literacy	X	
Manitoba Education, Citizenship and Youth	X	
Assiniboine Community College		X
Brandon University	X	
Collège universitaire de Saint-Boniface		X
Council on Post-Secondary Education	X	
Red River College		X
University College of The North	X	
University of Manitoba	X	
University of Winnipeg	X	
Manitoba Text Book Bureau	X	
Public School Divisions		X
Public Schools Finance Board	X	

Appendix C (cont'd.) Who Conducts the Audits

Summary of Who Conducted the Audits
(OAG - Office of the Auditor General; PSA - Private Sector Auditors)

	Audits Conducted By	
	OAG	PSA
FAMILY SERVICES AND HOUSING		
Manitoba Family Services and Housing	X	
Child and Family Services of Central Manitoba		X
Child and Family Services of Western Manitoba		X
First Nations of Northern Manitoba Child & Family Services Authority		X
First Nations of Southern Manitoba Child & Family Services Authority		X
General Child and Family Services Authority		X
Manitoba Housing and Renewal Corporation	X	
Métis Child and Family Services Authority		X
COMMUNITY, ECONOMIC AND RESOURCE DEVELOPMENT		
Manitoba Aboriginal and Northern Affairs	X	
Manitoba Agriculture, Food and Rural Initiatives	X	
Manitoba Competiveness, Training and Trade	X	
Manitoba Conservation	X	
Manitoba Infrastructure and Transportation	X	
Manitoba Intergovernmental Affairs	X	
Manitoba Science, Technology, Enregy and Mines	X	
Abandonment Reserve Fund	X	
Communities Economic Development Fund		X
Cooperative Loans and Loans Guarantee Board	X	
Cooperative Promotion Board	X	
Crown Lands and Property Agency		X
Economic Innovation and Technology Council	X	
Farm Machinery and Equipment Act Fund	X	
Fleet Vehicles Agency		X
Food Development Centre		X
Green Manitoba Eco Solutions		X
Horse Racing Commission	X	
Industrial Technology Centre		X
Manitoba Agricultural Services Corporation	X	
Manitoba Development Corporation		X
Manitoba Education, Research and Learning Information Networks (MERLIN)		X
Manitoba Floodway Authority		X
Manitoba Habitat Heritage Corporation	X	
Manitoba Opportunities Fund Ltd.		X
Manitoba Trade and Investment Corporation	X	

Who Conducts the Audits

Appendix C (cont'd.)

Summary of Who Conducted the Audits
(OAG - Office of the Auditor General; PSA - Private Sector Auditors)

	Audits Conducted By	
	OAG	PSA
Manitoba Trucking Productivity Improvement Fund	X	
Manitoba Water Services Board	X	
Materials Distribution Agency		X
Mining Community Reserve	X	
Mining Rehabilitation Reserve	X	
Pineland Forest Nursery		X
Quarry Rehabilitation Reserve	X	
Tire Stewardship Board		X
Veterinary Science Scholarship Fund	X	
JUSTICE AND OTHER EXPENDITURES		
Legislative Assembly	X	
Executive Council	X	
Civil Service Commission	X	
Manitoba Culture, Heritage, Tourism and Sport	X	
Manitoba Finance	X	
Healthy Child Manitoba	X	
Manitoba Justice	X	
Manitoba Labour and Immigration	X	
Manitoba Seniors and Healthy Living Secretariat	X	
Board of Administration under the Embalmers and Funeral Directors Act	X	
Centre culturel franco-manitobain	X	
Civil Legal Services		X
Companies Office		X
Crown Corporations Council		X
Helen Betty Osborne Foundation	X	
Insurance Council of Manitoba		X
Land Titles Assurance Fund	X	
Leaf Rapids Town Properties Ltd.	X	
Legal Aid Manitoba	X	
Manitoba Arts Council		X
Manitoba Boxing Commission		X
Manitoba Centennial Centre Corporation	X	
Manitoba Community Services Council Inc.		X
Manitoba Film and Sound Recording Development Corporation		X
Manitoba Gaming Control Commission	X	
Manitoba Hazardous Waste Management Corporation		X
Manitoba Law Reform Commission	X	

Appendix C (cont'd.) Who Conducts the Audits

Summary of Who Conducted the Audits
(OAG - Office of the Auditor General; PSA - Private Sector Auditors)

	Audits Conducted By	
	OAG	PSA
Manitoba Product Stewardship Corporation		X
Manitoba Securities Commission		X
Office of the Fire Commissioner		X
Organization and Staff Development	X	
Special Operating Agencies Financing Authority	X	
Sport Manitoba Inc.		X
The Property Registry		X
The Public Trustee	X	
Travel Manitoba		X
Venture Manitoba Tours Ltd.		X
Victims Assistance Fund	X	
Vital Statistics Agency		X
GOVERNMENT BUSINESS ENTERPRISES: (Schedule 3) (Note 4)		
Utility:		
Manitoba Hydro-Electric Board		X
Insurance:		
Manitoba Public Insurance Corporation		X
Workers Compensation Board		X
Finance:		
Manitoba Liquor Control Commission		X
Manitoba Lotteries Corporation		X
SPECIAL ACCOUNTS, not attached to Sector or Department		
Pension Assets Fund	X	
Debt Retirement Fund	X	
Fiscal Stabilization Fund	X	

Schedule 5 - Consolidated Statement of Borrowings

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF BORROWINGS
As at March 31, 2009

SCHEDULE 5

($ millions)

Fiscal Year of Maturity	Bonds and Debentures Cdn	Bonds and Debentures US	Canada Pension Plan Cdn	Loans and Mortgages Cdn	Promissory Notes and Treasury Bills Cdn	Totals 2009	Totals 2008
2009	-	-	-	-	-	-	3,132
2010	1,511	500	115	53	1,185	3,364	1,904
2011	1,257	567	103	48	-	1,975	1,686
2012	1,874	-	104	37	-	2,015	1,354
2013	1,480	-	73	72	-	1,625	589
2014	991	426	-	72	-	1,489	1,196
2009-2014	7,093	1,493	395	282	1,185	10,448	9,561
2015-2019	4,482	1,134		8	-	5,804	5,860
2020-2029	1,623	378	15	174	-	2,190	2,297
2030-2048	4,317	-	82	-	-	4,399	4,073
2010-2043 Crown Organizations	406	-	-	278	-	684	681
2015-2048	10,808	1,512	97	460	-	12,877	12,901
Total borrowings	17,901	3,005	492	742	1,185	23,325	22,462
Reduced by:							
Debt incurred for and repayable by The Manitoba Hydro-Electric Board and Manitoba Lotteries Corporation						(8,008)	(7,322)
Unamortized debt issue costs						(8)	(1)
Unamortized foreign currency fluctuation						(81)	(87)
Unamortized gains and losses on derivative contracts						50	72
Province of Manitoba debt issues held as investments in sinking funds and cash and cash equivalents						(634)	(589)
						14,664	14,555

Borrowings payable in:	March 31/09 Cdn $ Valuation (See Notes)	March 31/08 Cdn $ Valuation (See Notes)
Canadian dollars	17,147	18,572
Foreign issues hedged to Canadian dollars	3,173	3,184
U.S. dollars	2,397	2,162
Foreign issues hedged to U.S. dollars	608	544
Total borrowings	23,325	22,462

Note a: The hedges are derivative contracts which include swaps and forward foreign exchange contracts.

Note b: The Canadian dollar valuation is calculated using the foreign currency exchange rates in effect at each March 31 adjusted for any forward foreign exchange contracts entered into for settlement after year-end.

Note c: Interest rates on these borrowings fall into one of three categories:
i) Fixed with rates ranging from 3.25% to 11.33%.
ii) Floating Canadian - Bankers Acceptance (BA) setting, established quarterly or monthly, with the lowest rate currently set at 0.39% and the highest set at 3.93% as at March 31, 2009.
iii) Floating U.S. - U.S. Dollar London Interbank Offering Rate (LIBOR) setting, established quarterly, with the lowest rate currently set at 1.16% and the highest set at 1.35% as at March 31, 2009.

Note d: The presentation of Province of Manitoba debt issues held as investments was corrected to exclude debt issued on behalf of Government Business Enterprises which the Province holds as investments. As a result of this restatement, both portfolio investments and borrowings increased by $1,026 million (2008 - $1,039 million). There is no impact on accumulated deficit or net debt as a result of this correction.

Appendix E

Schedule 3 – Schedule of Consolidated Operating Results and Financial Position

GOVERNMENT BUSINESS ENTERPRISES
SCHEDULE OF CONSOLIDATED OPERATING RESULTS AND FINANCIAL POSITION
For the Year Ended March 31, 2009
($ millions)

SCHEDULE 3

	UTILITY	INSURANCE	FINANCE	TOTAL 2009	TOTAL 2008
CHANGES IN EQUITY					
Results from Operations					
Revenues from operations	2,364	1,204	1,364	4,932	4,877
Expenses: From operations	1,627	1,229	819	3,675	3,478
Debt servicing	439	-	11	450	452
Total expenses	2,066	1,229	830	4,125	3,930
Net income (loss)	298	(25)	534	807	947
Transfers to the Government	-	-	(534)	(534)	(516)
	298	(25)	-	273	431
Other Comprehensive Income (Loss)	(474)	(307)	-	(781)	358
Adjustments to Opening Equity	(176)	(332)	-	(508)	789
Adoption of Financial Instruments accounting standards	-	-	-	-	(23)
Net increase (decrease) in equity in government business enterprises	(176)	(332)	-	(508)	766
FINANCIAL POSITION					
Assets:					
Cash and temporary investments	170	272	34	476	304
Amounts receivable	440	311	38	789	804
Portfolio investments - Due from Government organizations	666	-	46	712	881
Due from others	-	2,636	-	2,636	2,940
Capital assets	9,224	55	190	9,469	8,876
Investments held for pension purposes	623	-	-	623	781
Other assets	922	177	47	1,146	913
Total assets	12,045	3,451	355	15,851	15,499
Liabilities:					
Accounts payable, accrued liabilities and deferred revenue	1,084	581	121	1,786	1,799
Long-term debt: Owing to Government organizations	7,836	-	172	8,008	7,322
Owing to others	444	-	1	445	412
Provision for future benefits: Pension obligations	730	172	52	954	921
Future cost of existing claim	-	2,465	4	2,469	2,348
Total liabilities	10,094	3,218	350	13,662	12,802
Equity in government business enterprises	1,951	233	5	2,189	2,697

For government business enterprises whose fiscal year end is prior to March 31, the amounts reflected are as at their fiscal year end.

Schedule 11 – Consolidated Details and Reconciliation to Core Government Results

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED DETAILS AND RECONCILIATION
TO CORE GOVERNMENT RESULTS

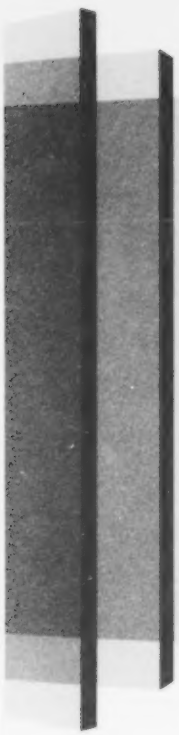
SCHEDULE 11

For the Year ended March 31, 2009

($ millions)

	2009			2008		
	Core Government (Note)	Consolidation Impacts	Summary 2009	Core Government	Consolidation Impacts	Summary 2008
REVENUE						
Income taxes	2,841	-	2,841	2,652	-	2,652
Other taxes	2,691	657	3,348	2,642	646	3,288
Fees and other revenue	481	1,276	1,757	438	1,190	1,628
Federal transfers	3,624	242	3,866	3,383	214	3,597
Net income from government business enterprises (Schedule 3)	534	273	807	516	431	947
Sinking funds and other investment earnings	-	296	296	-	384	384
TOTAL REVENUE	10,171	2,744	12,915	9,631	2,865	12,496
EXPENSES						
Health and Healthy Living	4,268	318	4,586	3,932	300	4,232
Education	1,972	1,182	3,154	1,882	1,342	3,224
Family Services and Housing	1,232	89	1,321	1,135	89	1,224
Community, Economic and Resource Development	1,500	82	1,582	1,384	36	1,420
Justice and Other Expenditures	818	154	972	808	166	974
Debt Servicing (Note 8)	225	605	830	252	612	864
TOTAL EXPENSES	10,015	2,430	12,445	9,393	2,545	11,938
Net Result for the Year	156	314	470	238	320	558
Transfer to Debt Retirement Account	(110)	110	-	(110)	110	-
Transfer to Fiscal Stabilization Account	(46)	46	-	(128)	128	-
NET INCOME FOR THE YEAR	-	470	470	-	558	558

Note: The Core Government is a component of the Government Reporting Entity and represents the revenues directly reported and the programs and services delivered by government departments. Core Government results are based upon specified accounting policies which vary from Canadian generally accepted accounting principles, in that the results for the year do not reflect the expenses related to the increase in the overall pension liability, do not consolidate the operations of all Crown organizations, include results of the Finance category of government business enterprises only and account for capital financing to health care facilities as a deferred charge. In addition, starting in 2008/09, certain loans and advances to Crown organizations, repaid through future appropriations, are reflected as assets of the Core Government. Public sector accounting standards would require these advances to be expensed as grants in the year issued (this change resulted in a decrease in Core Government expenses of $2 million for 2009 (2008 balances have not been restated for this change but if made would have decreased expenses by $29 million)). This presentation is eliminated upon consolidation.



Chapter 2:
Public Sector Compensation Disclosure Reporting

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Appendix A: The Public Sector Compensation Disclosure Act

1.0 Summary

Main Points

What We Examined

We examined how Manitoba reports compensation it pays to senior employees. Our goal was to assess whether government can improve compensation reporting. Compensation is defined broadly in *The Public Sector Compensation Disclosure Act* (the Act) to include the total value of all cash and non-cash salary or payments, allowances, bonuses, commissions and perquisites.

Why It's Important

Good reporting of what government pays senior employees helps ensure both transparency of and accountability for scarce resources: taxpayer money. Compensation reporting has increased substantially since the Act came into force in 1996. And good reporting practices - in both private and public sectors - have evolved since then.

What We Found

- disclosure practices are consistent with those of most other provinces but Manitoba's reports are not readily accessible to the Legislative Assembly and the public;
- disclosure lacks details such as job title and job function that would help readers compare compensation between employees in the same entity and between entities;
- most public sector organizations comply with the Act;
- there is no requirement for government to monitor compliance with the Act by public sector organizations;
- many not-for-profit organizations who receive government funding are not aware of their responsibilities under the Act. Public requests for this information are infrequent; and
- the threshold for compensation reporting has not been updated since 1996, and results in the reporting capturing more than just senior employees.

What We Recommend

- the threshold for reporting compensation should be increased;
- the public sector compensation disclosure reports for all organizations within the Government Reporting Entity should be accessible on a provincial government website; and

- that not-for-profit entities who receive government funding should not be required to provide audited compensation disclosure reports, but the compensation information should still be available, if requested.

1.1 Objectives of Our Review

Our objectives in reviewing disclosure practices for public sector compensation in Manitoba were to:

- compare and contrast compensation disclosure practices in Manitoba with those in other provinces and with good practices for compensation disclosure by public companies;
- assess the reasonableness of the Act's current threshold for reporting compensation of individual employees;
- analyze survey responses from entities required to comply with the Act to ascertain compliance issues, and assess the number of request from the public;
- review Manitoba's monitoring of compliance with the Act by public sector entities; and
- communicate other findings.

1.2 Authority for Our Review

We performed our review under section 14(1) of *The Auditor General Act*:

> 14(1) In carrying out his or her responsibilities under this Act, the Auditor General may examine and audit the operations of a government organization with regard to any of the following matters:
>
> (a) whether financial and administrative provisions of Acts, regulations, policies and directives have been complied with;
>
> (b) whether public money has been expended with proper regard for economy and efficiency;
>
> (c) whether the Assembly has been provided with appropriate accountability information;
>
> (d) whether the form and content of financial information documents is adequate and suitable.

2.0 Background

The Public Sector Compensation Disclosure Act (the Act) came into effect in 1996. It requires public sector bodies, within six months after each fiscal or calendar year, to disclose employees with compensation of at least $50,000. Public sector bodies must also report total compensation paid to all their board members, if any.

Under the Act, public sector bodies include the Government of Manitoba, government agencies, crown corporations, universities and colleges, the City of Winnipeg, school divisions, and any not-for-profit organizations that receive specified thresholds of funding from other public sector organizations. **Section 2.2** has more detail on this.

Based on our discussions with government officials, we determined that the purpose of the Act was to increase accountability in the public sector through the reporting of compensation paid to senior employees (higher income earners).

Disclosure can be either part of an entity's audited financial statements or a separate statement certified by an auditor. The required disclosure includes the name, position or classification, and compensation of each person. Disclosure of compensation paid on either a calendar-year or fiscal-year basis is permitted by the Act. Public sector bodies must make the disclosure available to the public upon request within six months after the fiscal or calendar year, depending on the reporting basis they select.

To enforce the disclosure requirements, the Minister of Finance may withhold up to 15% of the funding payable by the government to a public sector body until the required disclosure is made.

2.1 Definition of "Compensation" in the Act

"Compensation" means compensation pursuant to any arrangement, including an employment contract, calculated to include the total value of all cash and non-cash salary or payments, allowances, bonuses, commissions and perquisites, including:

a) all overtime payments, retirement or severance payments, lump sum payments and vacation pay-outs;

b) the value of loan or loan interest obligations that have been extinguished and the value of imputed interest benefits from loans;

c) long term incentive plan earnings and payouts;

d) the value of the benefit derived from vehicles or allowances with respect to vehicles;

e) the value of the benefit derived from living accommodation or any subsidy with respect to living accommodation;

f) payments made for exceptional benefits not provided to the majority of employees of the public sector body;

g) payments for memberships in recreational clubs or organizations; and

h) the value of any other payment or benefit that may be prescribed in the regulations.

2.2 Definition of "Public Sector Body" in the Act

"Public sector body" means:

a) the Government of Manitoba,

b) a government agency,

c) a body described in the Schedule to the Act (Refer to Appendix A)

d) a person, organization or body designated as a public sector body by the Lieutenant Governor in Council in a regulation made under clause 10(e), and

e) any other person, organization or body, whether or not incorporated, that does not carry on its activities for the purpose of profit and receives in a fiscal year from one or more other public sector bodies funding that totals at least***

   i) $500,000., or

   ii) $200,000., if the funding is 50% or more of its total revenue for the fiscal year.

*** The source of funding may be from more than one entity. For example, if an entity receives funding from multiple departments or government organizations or other public sector bodies and the combined funding meets the threshold, then disclosure is still required.

3.0 Our Approach

We interviewed government officials who manage and administer the Act, reviewed good practices in compensation disclosure for public companies and compensation disclosure practices in other provinces, and surveyed public sector bodies affected by the Act. Our review was performed in accordance with value-for-money assurance standards recommended by the Canadian Institute of Chartered Accountants and, accordingly, included such tests and other procedures as we considered necessary in the circumstances.

4.0 Manitoba Practices in Context

4.1 Manitoba Practices Compared With Good Practices

To learn about good practices for compensation disclosure by public companies, we referred to the Canadian Coalition for Good Governance (the Coalition). Its mandate is to promote good governance practices by public companies and align the interests of boards and management of companies with their stakeholders.

According to the Coalition, effective compensation disclosure should give readers information that is easy to understand, accurate and complete. The information should provide context so the compensation of an individual can be compared with the performance of the organization and other public sector entities.

Good compensation disclosure should be:

1. **Accessible** - disclosure should be easy to find and easily accessible by stakeholders.
2. **Focused** - disclosure should focus on compensation for executive management.
3. **Detailed** - disclosure should give a detailed breakdown of salary, bonus, and other amounts in employees' total compensation for a fiscal period.
4. **Qualitative** - disclosure of an organization's compensation philosophy and objectives of its compensation and incentive programs should include quantitative information plus details of any reward programs and their goals.
5. **Comparable** - disclosure should be comparable between organizations and between people within organizations.

Comparing public sector compensation disclosure practices in Manitoba to these key principles, we made the following observations.

Accessible

The Act does not require entities to publish compensation disclosure in their annual reports or on their websites. Public sector entities use a variety of disclosure practices.

The audited compensation disclosure report for the core government, "Compensation of $50,000 or more" is published annually in Volume Two of the Public Accounts of Manitoba, and is available on the internet. This report includes only compensation paid to elected officials and employees of the Province from the Operating Fund. It does not include compensation paid to employees by crown corporations and other organizations in the Government Reporting Entity. The Government Reporting Entity consists of the Operating Fund and Special Funds, and all the organizations which the Government controls.

Outside of core government, entities have different practices for making their disclosure available. Some entities include the disclosure as part of their annual report. But the vast majority keep the disclosure separate from their annual reports. Universities and Colleges tend to make their reports available in their libraries. All the larger crown corporations make their report available in the Legislative Library. Municipalities tend to post their reports in public lobby areas.

However, in our survey of public sector bodies, 92% of respondents indicated that their **disclosure is available to the public only on request**, and only 1% have their disclosure available on the internet. See **Figure 1** for details.

Figure 1

Availability of Disclosure by Entity Type					
	Website	Public Area	Library	Other	On Request Only
Government of Manitoba	1	-	-	-	-
Board/Commission	-	-	-	-	28
Child and Family Services Agency	-	-	-	-	12
Crown Organization	4	-	4	1	207
Government Business Enterprise	-	-	1	-	4
School Division	-	-	-	-	33
Municipality/Township	4	22	-	15	138
Not-for-profit Receiving Government Funding	1	1	-	1	200
Total	10	23	5	17	622

Generally, compensation disclosure for public sector bodies in Manitoba is not easy to find, or easily accessible by the public (except for the disclosure of compensation paid by the core provincial government).

Focused

Good practices recommend that compensation disclosure reports focus on management of an organization (top income earners). Public companies must disclose the CEO, CFO, and the next three highest paid executive officers with compensation greater than $150,000.

But in Manitoba, compensation is disclosed for all public sector employees who earn $50,000 or more. For the core government, we estimated that this reporting threshold captures 40% of provincial government employees, most of them not in senior management positions. The $50,000 threshold also captures many employees on the compensation disclosure statements of other government organizations.

Because the objectives for reporting compensation reporting might be different in the public and private sectors, it is reasonable that public sector compensation disclosure may include more than just the top executives. But when too many employees are included in reports, the usefulness of the disclosure is reduced. **Section 5.0** discusses the reporting threshold further.

Detailed

Compensation disclosure should specify the parts of employee compensation including base salary, benefits, employer pension amounts, performance payments, and other amounts. Such details give readers more and better information to assess compensation.

In Manitoba, only the total of all compensation paid to an employee is reported. Since there is limited flexibility available in the public sector compensation structure in Manitoba, this limited disclosure practice is reasonable. However in cases where employee compensation may include non-routine payments such as severance pay, these should be explained. Also explanations should be provided in cases where employees are seconded from one government organization to another. Currently their compensation is only disclosed by the organization that pays them, rather than the one to which they provide services.

Qualitative

Compensation information is more useful to readers when it includes context, with qualitative information such as an organization's compensation philosophy, the objectives of its compensation program, what the program rewards, and how performance payments link to performance targets.

The Act does not require such disclosure, and public sector bodies do not provide it in their annual compensation disclosure statements.

Comparable

Without qualitative disclosure about compensation practices, and details of what employee compensation includes, disclosure by public sector bodies does not readily allow comparison of compensation between employees in an organization or between public sector bodies.

The current disclosure practices in Manitoba do not facilitate an easy comparison of compensation paid to similar positions by different organizations.

4.2 Manitoba Compared With Other Provinces

Our review of disclosure requirements in other Canadian provinces found that only Manitoba, Ontario and British Columbia have legislation which requires disclosure of public sector compensation.

Alberta, Quebec, Nova Scotia, New Brunswick and Saskatchewan have chosen to provide information on public sector compensation, absent a legislative requirement to do so.

Figure 2 below summarizes compensation disclosure requirements and practices in other provinces. **Figure 3** compares public sector compensation legislation among the three provinces with legislation.

Figure 2

Public Sector Compensation Legislation in All Provinces											
	CA	AB	BC	MB	NB	NS	ON	PEI	SK	QB	NL
Legislation in place	No	No	Yes	Yes	No	No	Yes	No	No	No	No
Other Comments	N/A	Disclosure required in financial statements of salaries and benefits of senior executives by position (names are not disclosed).	See Figure 3	See Figure 3	Disclosure of Salaries, retirement allowance/ severance payments for government employees and disclosure of salaries and retirement allowances/ severance payments to employees of crowns Reporting threshold of $60,000.	Publish in public accounts name, salary, and position of people earning at least $25,000 in government departments and agencies.	See Figure 3	N/A	Disclose salaries over $50,000 in public accounts and crown investment corps.	Publish in public accounts salary ranges for senior civil servants.	N/A

Figure 3 below compares the content of the required disclosure for the three provinces with public sector compensation disclosure legislation.

Figure 3

Comparison of Manitoba, Ontario and British Columbia			
	MB	**ON**	**BC**
Name of Legislation and Year Enacted	*Public Sector Compensation Disclosure Act* (1996)	*Public Sector Salary Disclosure Act* (1996)	*Public Sector Employers Act/Financial Information Act* (1996)
Last Amended to Change Disclosure Requirements and Nature of the Change	N/A	2004 (relieves employers from including salary disclosure in their annual report as long as they provide it on their website instead).	2008 (requires qualitative disclosure about compensation and additional information on executive compensation).
Entities Required to Comply	• Government of MB; • Board of Legal Aid MB; • Health Services Insurance Plan; • Government Agencies; • Crown Corporations; • Hospitals and Personal Care Homes; • Child and Family Services Agencies; • Municipalities; • School Boards; • Universities and Colleges; • Any bodies designated by Lieutenant Governor in Council; • Not-for-Profits with at least $500,000 public sector funding, or $200,000 if the funding is 50% or more of its total revenues.	• Government Agencies; • Corporations of Municipalities; • Municipality Boards; • Education Boards; • Universities and Colleges; • Public and Private Hospitals; • Health Boards; • Office of LG, Office of the Assembly; • Any bodies who received funding from the Government of Ontario of an amount at least $1,000,000, or $120,000 if the funding is 10% or more of its gross revenues; • Hydro One Inc. and subsidiaries; • Ontario Power Generation Inc. and subsidiaries.	• Government of BC; • A corporation or an unincorporated board, commission, council, bureau, authority or similar body that has on its board of management or board of directors, 50% or more of members who are appointed by an Act, a minister or the Lieutenant Governor in Council, or employees appointed under *The Public Service Act*; • School Boards; • Universities and Colleges; • Public and Private Hospitals; • Social services agencies.

Comparison of Manitoba, Ontario and British Columbia			
	MB	**ON**	**BC**
Failure to Disclose	The Minister of Finance may order a withholding not exceeding 15% of the amount of funding to a public sector body until disclosure has been made.	The Management Board of Cabinet may require a ministry of the Crown to withhold funding authorized by legislature or by statute. Withhold will be paid back only when the employer complies with the Act. Withhold will not be paid back if the failure to comply continues to next year.	If there is a failure to make a general disclosure under *The Financial Information Act*, the Minister may order an audit of the entity for the purposes of preparing a disclosure with the cost of the audit being a debt owing to the province. *The Public Sector Employers Act* does not speak to an entity failing to make an executive compensation disclosure.
Threshold	$50,000	$100,000	$125,000 for the executive compensation disclosure and $75,000 for the basic salary disclosure.
Method of Disclosure	Disclosure may be included in the audited financial statements or in a separate audited statement.	Where an entity prepares an annual report, disclosure must be included in annual report. If separate statement prepared, it must be available on public website.	Disclosure must be posted on each organization's website.

Comparison of Manitoba, Ontario and British Columbia			
	MB	**ON**	**BC**
What Information is Disclosed	Total compensation, position, and name of the following: • Chairperson of its board of directors; • Board members, in the aggregate; and • Individual officers and employees.	• Total Salary and benefits paid to an employee.	For the CEO and next four highest ranking executives with total compensation in excess of threshold: • Compensation broken down into base salary, benefits, employer pension contributions and performance payments; • Compensation Philosophy; • Objectives of compensation program; • What it is designated to reward; • How performance payments relate to organizational performance targets; • The Act also requires disclose of "everything that a reasonable person would view as compensation".
Nil Report	Act does not cover this.	When no employees received a salary more than $100,000 in the year, the employer produce a written statement, certified by the highest ranking officer.	Act does not cover this.

Our review of other provinces' requirements and practices, based on the five principles of good compensation disclosure (described in **Section 4.1**) revealed the following.

Accessible

Ontario requires entities to provide their compensation disclosure either in their annual reports or on their websites.

In British Columbia, all public sector bodies must post their compensation disclosure reports on their websites.

Alberta, Saskatchewan and New Brunswick provide disclosure of compensation paid to employees of the core government and government organizations in the financial statements or annual reports of the organizations.

Nova Scotia and Quebec provide disclosure of compensation paid to employees of the core government in their annual public accounts.

Focused (executive compensation versus threshold approach)

Alberta and Quebec focus their disclosures on compensation paid to senior executives and senior civil servants.

Saskatchewan, Nova Scotia and Ontario follow an approach similar to Manitoba's practice: all compensation is disclosed for all employees whose earnings exceed a set threshold for reporting. **Figure 2** has details on thresholds.

British Columbia uses a threshold approach to compensation disclosure. It recently introduced legislative amendments to require more information on executive compensation paid by public sector entities. These changes require detailed compensation information for the CEO and the next four highest ranking executives with total compensation over $150,000.

In general, Manitoba is consistent with the majority of jurisdictions that provide compensation disclosure: reporting is based on a threshold instead of on the level of the employee, as recommended by good practices.

Detailed

No other province (except British Columbia) provides a detailed breakdown of the components of compensation as recommended by good practices.

Ontario does not require a breakdown of compensation makeup, but it does require supplementary information about the amount of benefits in total compensation. In British Columbia, executive level compensation disclosure is broken down into base salary, benefits, employer pension contributions and performance pay.

Overall, the content of disclosure in Manitoba is consistent with the content in the majority of other provinces.

Qualitative

British Columbia is the only province that requires qualitative disclosure about the compensation philosophy and objectives of public sector organizations.

Comparable

Only British Columbia provides information which would facilitate comparison of compensation between employees within a public sector organization and with other public sector organizations.

Overall Finding

Manitoba's disclosure practices are consistent with the practices of most other provinces, with the exception of being readily accessible.

5.0 Reasonableness of Current $50,000 Threshold

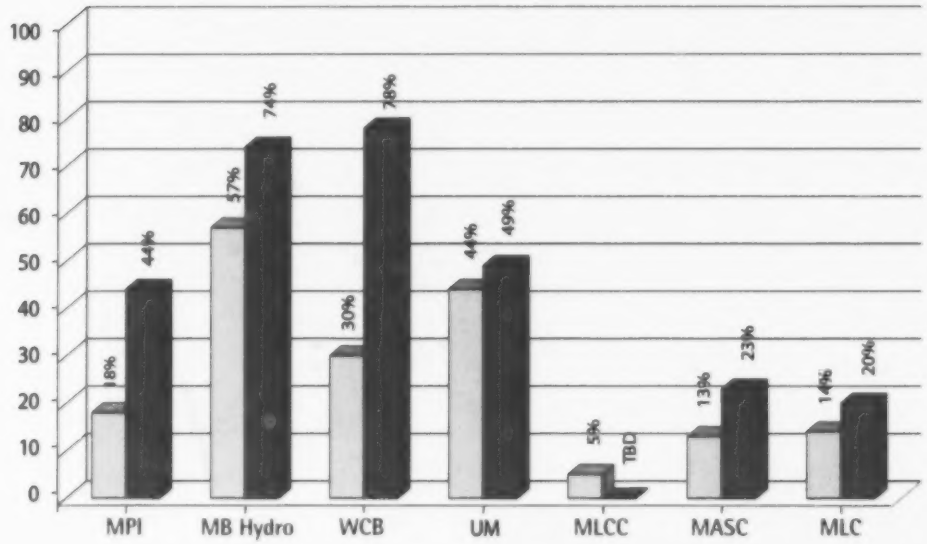
The Act currently requires the reporting of compensation of $50,000 or more to public sector employees. Discussions with government revealed that the threshold was intended to capture compensation paid to the top 10% of income earners in the public sector.

For the 2007/08 fiscal year, we estimated that 40% of core government employees earned $50,000 or more and would therefore be included in the compensation disclosure report. If the report disclosed only the top 10% of income earners, we estimate that a threshold of $72,000 would have been used.

We selected a sample of large government organizations and compared the number and percentage of employees included in the first report in 1996 with the same figures in the 2006 report. Both the number and percentage of employees included in the disclosure increased from 1996 to 2006. **Figures 4a** and **4b** below show this comparison.

Figure 4a

Percentage of Total Employees Disclosed as Required by the Act

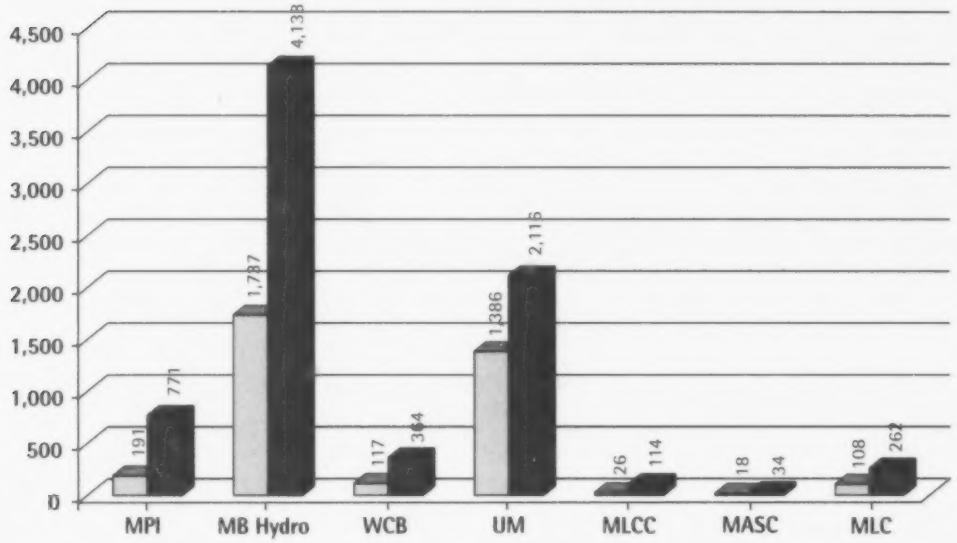


Legend:*	MPI	MB Hydro	WCB	UM	MLCC	MASC	MLC
1996 % of Employees > $50K	18%	57%	30%	44%	5%	13%	14%
2006 % of Employees > $50K	44%	74%	78%	49%	TBD	23%	20%

*MPI = Manitoba Public Insurance Corporation
*MB Hydro = Manitoba Hydro-Electric Board
*WCB = Workers Compensation Board
*UM = University of Manitoba
*MLCC = Manitoba Liquor Control Commission
*MASC = Manitoba Agricultural Services Corporation
*MLC = Manitoba Lotteries Corporation

Figure 4b

Number of Employees Disclosed as Required by the Act



Legend:	MPI	MB Hydro	WCB	UM	MLCC	MASC	MLC
1996 # of Employees	191	1,737	117	1,386	26	18	108
2006 # of Employees	771	4,138	364	2,116	114	34	262

Manitoba has the lowest threshold for compensation disclosure of the three provinces with mandatory disclosure (Ontario uses $100,000; British Columbia uses $125,000 for executive compensation; and $75,000 for other public servants).

Of the provinces with non- legislated disclosure of public sector compensation, Alberta and Quebec do not use a threshold, reporting instead executive and senior civil servant compensation only. Saskatchewan uses the same threshold as Manitoba ($50,000), Nova Scotia uses $25,000 and New Brunswick uses $60,000.

Since the Act lacks a mechanism to regularly adjust the reporting threshold, the extent of disclosure will increase as salaries increase across the public sector. British Columbia legislation allows for the threshold to be adjusted regularly by specifying the amount in a regulation rather than in a law.

We recommend that the threshold for public sector compensation reporting be increased to reflect the Government's objectives of the disclosure, and that a mechanism to regularly adjust the threshold be put into place.

Departmental Response

The government believes there is merit in this recommendation and will review to determine what changes to legislation may be required. In the past, governments have increased this threshold periodically to reflect inflation. The government, therefore, agrees to implement a process or mechanism to regularly review and adjust the threshold.

6.0 Survey Analysis and Compliance

To assess compliance with reporting requirements in 2007, we surveyed entities that we considered likely to be affected by the Act. Because the Department of Finance did not have a current listing of entities required to comply with the Act, we took additional steps to identify entities outside the Government Reporting Entity that met the definition of a public sector body under the Act. We searched government records and tax filings to identify such not-for-profit organizations receiving public sector funding.

Since the Act currently requires reporting by public sector bodies that are not part of the Government Reporting Entity and that may also be receiving their funding from other public sector bodies, we appreciate that it would be very difficult for the government to regularly update and maintain a list of all such entities required to report.

We developed a list of 891 public sector organizations, including the core government, government organizations and other public sector organizations, and sent them a survey to assess if:

- public sector organizations were aware of the Act and their compliance requirements under it;
- public sector organizations had complied with the disclosure requirements for the 2007 fiscal or calendar year; and
- there had been public requests for compensation disclosure reports of public sector organizations for the period October 1, 2006 to September 30, 2007.

We received a response from 721 organizations as **Figure 5** shows. The survey results show a high level of compliance and awareness of the Act among government organizations, school divisions and municipalities. But only 68% of not-for-profit organizations receiving funding from public sector organizations knew of their duty to comply with the Act.

The lower level of awareness among boards and commissions may be because the Act does not apply to many administrative boards with no employees or paid board members. But there were also indications that some boards were unaware of the Act's requirements to report the total compensation paid to board members under section 2.1(b) (see **Appendix A**).

Figure 5

Public Sector Bodies	# Contacted	# Responded	% of Respondents who indicated they are aware of thier requirement to comply with the Act	% of those aware who provided compensation disclosure report	% of those aware who indicated they did not have any amounts that required reporting
Government of Manitoba	1	1	100%	100%	-
Board/Commission	50	36	53%	5%	95%
Child and Family Services Agencies	18	14	100%	93%	7%
Crown Organizations	248	223	100%	99%	1%
Government Business Enterprise	6	5	100%	100%	-
School Division	36	33	100%	100%	-
Municipality/Township	247	182	98%	100%	-
Not-for-Profit Receiving Government Funding	285	227	68%	82%	18%
Total	891	721	86%	66%	34%

Our survey indicated a high compliance rate (86% of respondents knew of the Act's requirements). However, only 68% of not-for-profit organizations (receiving government funding) were aware of their compliance requirements under the Act.

The administrative burden for not for profit organizations (receiving government funding) could be reduced by eliminating the requirement for audit public sector compensation disclosure. It also would place an administrative burden to the Government, as noted earlier, to try to maintain an up-to-date listing of such public sector bodies, which would be required to monitor compliance with the Act.

Overall, there should be a balance between reporting which is relevant and that which is practical and cost effective to produce.

The Government can also obtain compensation reporting from the not for profit organizations, which it funds by placing such reporting requirements in the funding agreements, if the information is deemed to be required.

We recommend that not-for-profit entities (outside the Government Reporting Entity) should not be required to prepare audited public sector compensation disclosure reports. However compensation information for these entities should be made available to the public upon request.

Departmental Response

The government appreciates the recommendation provided and will consider appropriate changes to the legislation to reduce the reporting requirements of not-for-profit entities, resulting in reduced administrative burden and cost to not-for-profit entities currently required to provide audited disclosure. We will review and incorporate these changes within the principles of transparency and public interest in not-for-profit salary information. We also agree that such information should remain accessible by the public upon request.

We also asked survey respondents how many public requests they had received for their compensation disclosure reports for the period from October 1, 2006 and September 30, 2007. The responses are summarized in **Figure 6**.

Figure 6

Number of Entities Responded for Compensation Requests

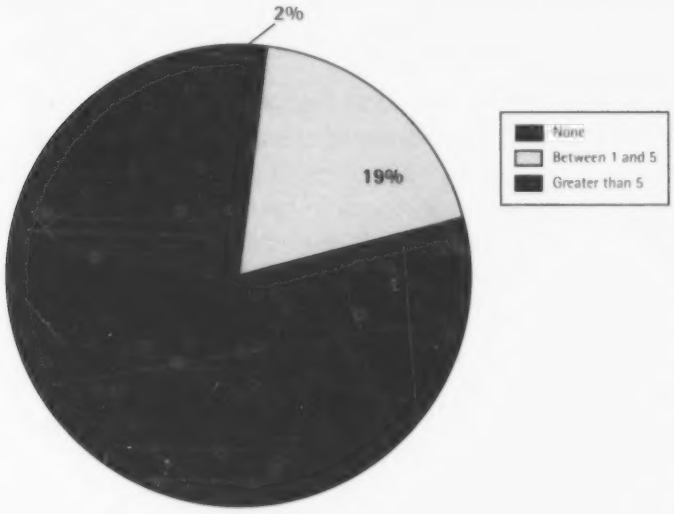


Figure 6 shows that 79% of respondents reported not receiving a public request for their compensation disclosure report. Nineteen percent of respondents had received between 1 and 5 information requests, and 2% had received over 5 requests for disclosure information.

It is not clear if the low number of public requests for the compensation disclosure information is because people don't know the information is available or because they are not interested in it. It is reasonable to expect that by making this information more accessible, public awareness would increase.

We recommend that public sector compensation disclosure reports for all organizations within the Government Reporting Entity be available to the public on the Provincial Government website.

Departmental Response

The government appreciates the recommendation provided and will consider appropriate solutions to provide greater accessibility to public sector compensation disclosure for all entities required to comply with this legislation. Appropriate mechanisms will be reviewed in the context of the administrative costs to oversee a centrally-managed website, and the benefits of greater access provided to the

public to compensation information for all entities within the Government Reporting Entity.

7.0 Communication of Other Findings

There are circumstances when services that would otherwise be provided by an employee are provided by consultants and other service providers through contractual arrangements which do not constitute an employment arrangement. Any such amounts paid by a public sector organization would not be included in its public sector compensation disclosure report as these amounts do not constitute 'compensation'.

When the Core Government makes vendor payments over $5,000, currently they would be disclosed in Volume Two of the Public Accounts in the "Statement of Payments in Excess of $5,000 to Corporations, Firms, Individuals". This report includes all vendor payments for supplies and services in excess of the reporting threshold.

We noted that the practice of reporting vendor payments in the public accounts has existed for over 100 years. Prior to 1935 all vendor payments of the Core Government were reported. Beginning in 1935, the Government implemented a threshold of $100 for reporting vendor payments. This threshold was increased to $500 in 1960, $1,000 in 1963 and $2,000 in 1972. The current threshold for reporting of $5,000 has been in effect since 1982, and therefore should be increased at a minimum to keep pace with inflationary adjustments since then.

In general, no similar reporting of vendor payments is provided by any other organization within the Government Reporting Entity, which results in a disparity between the transparency of disclosure for the Core Government and other government organizations.

The Government should review the need for all the organizations in the Government Reporting Entity to provide more disclosure of vendor payments and in doing so balance the need to provide information which is relevant and that which is practical and cost effective to produce. This should include a review of the threshold for reporting vendor payments which is currently very low and results in voluminous reports.

Appendices

The Public Sector Compensation Disclosure Act

Appendix A

CHAPTER P265

THE PUBLIC SECTOR COMPENSATION DISCLOSURE ACT

(Assented to November 19, 1996)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Manitoba, enacts as follows:

Definitions

1 In this Act,

"board members" means the members of the board of directors or equivalent governing body of a public sector body, other than the chairperson, whether those members are elected or appointed; (« membres du conseil »)

"compensation" means compensation pursuant to any arrangement, including an employment contract, calculated to include the total value of all cash and non-cash salary or payments, allowances, bonuses, commissions and perquisites, including

(a) all overtime payments, retirement or severance payments, lump sum payments and vacation pay-outs,

(b) the value of loan or loan interest obligations that have been extinguished and the value of imputed interest benefits from loans,

01/97

CHAPITRE P265

LOI SUR LA DIVULGATION DE LA RÉMUNÉRATION DANS LE SECTEUR PUBLIC

(Date de sanction : 19 novembre 1996)

SA MAJESTÉ, sur l'avis et avec le consentement de l'Assemblée législative du Manitoba, édicte :

Définitions

1 Les définitions qui suivent s'appliquent à la présente loi.

« **exercice** » Exercice financier de l'organisme du secteur public. ("fiscal year")

« **financement** » Subvention ou groupe de subventions, à l'exclusion des subventions destinées à couvrir des dépenses en capital. ("funding")

« **membres du conseil** » À l'exclusion du président, les membres nommés ou élus de l'organe dirigeant, y compris le conseil d'administration, d'un organisme du secteur public. ("board members")

« **ministre** » Le ministre des Finances. ("minister")

« **organisme du secteur public** »

a) Le gouvernement du Manitoba;

Appendix A (cont'd.) The Public Sector Compensation Disclosure Act

(c) long term incentive plan earnings and payouts,

(d) the value of the benefit derived from vehicles or allowances with respect to vehicles,

(e) the value of the benefit derived from living accommodation or any subsidy with respect to living accommodation,

(f) payments made for exceptional benefits not provided to the majority of employees of the public sector body,

(g) payments for memberships in recreational clubs or organizations, and

(h) the value of any other payment or benefit that may be prescribed in the regulations; (« rémunération »)

"fiscal year" means the fiscal year of the public sector body; (« exercice »)

"funding" means a grant or combination of grants, but does not include a grant for capital purposes; (« financement »)

"government agency" means any board, commission, association, or other body, whether incorporated or unincorporated, all the members of which, or of the board of management or board of directors of which,

(a) are appointed by an Act of the Legislature or by order of the Lieutenant Governor in Council, or

(b) if not so appointed, in the discharge of their duties are public officers or servants of the Crown, or for the proper discharge of their duties are directly or indirectly responsible to the Crown; (« organisme gouvernemental »)

"minister" means the Minister of Finance; (« ministre »)

"public sector body" means

(a) the Government of Manitoba,

(b) a government agency,

b) organisme gouvernemental;

c) organisme mentionné à l'annexe;

d) personne, organisation ou organisme que le lieutenant-gouverneur en conseil désigne à titre d'organisme du secteur public dans un règlement pris en vertu de l'alinéa 10e);

e) les autres personnes, organisations ou organismes, constitués ou non en personne morale, qui n'exercent pas leurs activités en vue d'un profit et qui reçoivent d'au moins un organisme du secteur public, au cours d'un exercice, un financement totalisant au moins :

(i) 500 000 $,

(ii) 200 000 $, si cette somme représente au moins 50 % de leur revenu total pour l'exercice. ("public sector body")

« organisme gouvernemental » Sont assimilés à un organisme gouvernemental les conseils, les commissions, les associations et les autres organismes, constitués ou non en personne morale, dont les membres, le conseil d'administration ou le conseil de direction sont, selon le cas :

a) nommés par une loi de l'Assemblée législative ou par décret du lieutenant-gouverneur en conseil;

b) des fonctionnaires ou des préposés de l'État ou relèvent directement ou indirectement de l'État dans l'exercice de leurs fonctions. ("government agency")

« rémunération » Rémunération visée par un accord, y compris un contrat de travail, et calculée de façon à inclure la valeur totale du salaire, des paiements, des allocations, des primes, des commissions et des gratifications en espèces ou non, y compris :

a) les paiements d'heures supplémentaires, les indemnités de retraite ou de départ, les paiements forfaitaires et les payes de vacances;

b) la valeur des emprunts ou des intérêts y relatifs qui ont été purgés ainsi que la valeur des avantages que représentent les intérêts théoriques sur des emprunts;

The Public Sector Compensation Disclosure Act

Appendix A (cont'd.)

(c) a body described in the Schedule,

(d) a person, organization or body designated as a public sector body by the Lieutenant Governor in Council in a regulation made under clause 10(e), and

(e) any other person, organization or body, whether or not incorporated, that does not carry on its activities for the purpose of profit and receives in a fiscal year from one or more other public sector bodies funding that totals at least

(i) $500,000., or

(ii) $200,000., if the funding is 50% or more of its total revenue for the fiscal year. (« organisme du secteur public »)

Disclosure required

2(1) Within six months after the end of each fiscal year or calendar year ending on or after March 31, 1996, a public sector body shall disclose to the public in accordance with this Act the amount of compensation it pays or provides in the fiscal year or in the calendar year, directly or indirectly,

(a) to, or for the benefit of, the chairperson of its board of directors or equivalent governing body, if any, if the chairperson's compensation is $50,000. or more;

(b) in the aggregate, to, or for the benefit of, its board members, if any;

(c) individually, to, or for the benefit of, each of its officers and employees whose compensation is $50,000. or more.

Consistent reporting required

2(2) A public sector body that discloses the information required under subsection (1) on a calendar year basis shall continue to disclose the information on a calendar year basis.

c) les versements faits et les sommes payées au titre d'un régime d'intéressement à long terme;

d) la valeur que représentent l'usage de véhicules ou les allocations pour véhicules;

e) la valeur que représentent l'usage d'un logement ou les subventions au logement;

f) les paiements faits à titre d'avantages exceptionnels non accordés à la majorité des employés de l'organisme du secteur public;

g) les paiements faits à titre de cotisations à des organisations ou à des clubs de loisirs;

h) la valeur des autres paiements ou avantages réglementaires. ("compensation")

Obligation de divulgation

2(1) Dans les six mois suivant la fin de chaque exercice ou année civile se terminant à compter du 31 mars 1996, les organismes du secteur public divulguent au public, en conformité avec la présente loi, la rémunération payée ou versée au cours de l'exercice ou de l'année civile, directement ou indirectement :

a) au président de l'organe dirigeant, y compris le conseil d'administration, ou en sa faveur, s'il touche au moins 50 000 $;

b) globalement, aux membres du conseil ou en leur faveur;

c) individuellement, aux cadres et aux employés qui touchent au moins 50 000 $ ou en leur faveur.

Continuité

2(2) Les organismes du secteur public qui divulguent les renseignements visés par le paragraphe (1) en se fondant sur l'année civile continuent de le faire de la même façon.

Appendix A (cont'd.) The Public Sector Compensation Disclosure Act

Manner of disclosure
3(1) A public sector body shall disclose the information required by this Act in one of the following ways:

(a) in its audited financial statements for the fiscal year;

(b) in a statement prepared for the purpose and certified by its auditor to be correct;

(c) in any other manner that is authorized in the regulations.

Names and positions or classifications to be disclosed
3(2) For the purposes of clauses 2(1)(a) and (c), the name, position or classification, and compensation of each affected person is to be disclosed.

Payments under Legal Aid Manitoba Act
4 For each fiscal year ending on or after March 31, 1996, the board of Legal Aid Manitoba shall disclose in the audited financial statements of the society, or in any other manner authorized in the regulations, the name of every person who receives $50,000. or more in the fiscal year for providing legal aid under *The Legal Aid Manitoba Act* and the amount paid to each.

S.M. 2004, c. 50, s. 18

Payments under Health Services Insurance Act
5 For each fiscal year of the government ending on or after March 31, 1996, the Minister of Health shall cause to be disclosed in the audited financial statements of the Manitoba Health Services Insurance Plan, or in any other manner authorized in the regulations, the name of every person who receives $50,000. or more in the fiscal year for providing services to insured persons under *The Health Services Insurance Act* and the amount paid to each.

Mode de divulgation
3(1) Les organismes du secteur public divulguent les renseignements que prescrit la présente loi :

a) soit dans leurs états financiers vérifiés annuels;

b) soit dans un état établi à cette fin et dont l'exactitude est certifiée par leur vérificateur;

c) soit de toute autre manière permise par les règlements.

Divulgation du nom et du titre du poste
3(2) Pour l'application des alinéas 2(1)a) et c), il est obligatoire de divulguer le nom, le titre du poste ou la classification et la rémunération de chaque personne visée.

Paiements faits en vertu de la *Loi sur la Société d'aide juridique du Manitoba*
4 Pour chacun des exercices se terminant à compter du 31 mars 1996, le conseil de la Société d'aide juridique du Manitoba divulgue dans les états financiers vérifiés de la Société, ou de toute autre manière permise par les règlements, le nom de chaque personne qui touche au moins 50 000 $ au cours de l'exercice pour la fourniture de services d'aide juridique sous le régime de la *Loi sur la Société d'aide juridique du Manitoba* ainsi que la somme qui lui a été payée.

Paiements faits en vertu de la *Loi sur l'assurance-maladie*
5 Pour chacun des exercices du gouvernement se terminant à compter du 31 mars 1996, le ministre de la Santé divulgue dans les états financiers vérifiés du régime d'assurance-maladie du Manitoba, ou de toute autre manière permise par les règlements, le nom de chaque personne qui touche au moins 50 000 $ au cours de l'exercice pour la fourniture de services à des assurés sous le régime de la *Loi sur l'assurance-maladie* ainsi que la somme qui lui a été payée.

The Public Sector Compensation Disclosure Act

Appendix A (cont'd.)

DIVULGATION DE LA RÉMUNÉRATION DANS LE SECTEUR PUBLIC L.M. 1996, c. 60 - Chap. P265

Inspection of information
6(1) A public sector body shall make the information required to be disclosed by this Act available for inspection on request by any person without charge during the normal office hours of the body.

Copies to be provided
6(2) A public sector body shall provide a copy of the information required to be disclosed by this Act, on request, to any person on payment by the person of a reasonable administrative fee.

Minister may require information
7 The minister may require any officer, director or employee of a body that the minister believes to be a public sector body to provide any information that the minister may require to determine whether the body is a public sector body.

Minister may order funding withheld
8 Notwithstanding any other Act or any agreement or arrangement, the minister may order that an amount not exceeding 15% of the amount of funding payable by the government to a public sector body be withheld until disclosure as required by this Act has been made.

Compliance with Act not breach of other Act or agreement
9 The disclosure of information pursuant to this Act or the regulations or the withholding of funding pursuant to section 8 is deemed not to contravene any Act, regulation or agreement whether the Act was enacted or the regulation or agreement was made before or after the coming into force of this Act.

L.G. in C. regulations
10 The Lieutenant Governor in Council may make regulations

(a) further defining "compensation" for the purposes of this Act;

(b) for the purposes of subsection 3(1), respecting the manner in which information about compensation may be disclosed by any public sector body or class of public sector bodies;

Examen des renseignements
6(1) Pendant leurs heures normales d'ouverture, les organismes du secteur public mettent gratuitement les renseignements qui doivent être divulgués sous le régime de la présente loi à la disposition de toute personne qui leur en fait la demande.

Remise de copies
6(2) Les organismes du secteur public remettent une copie des renseignements qui doivent être divulgués sous le régime de la présente loi à toute personne qui leur en fait la demande et qui verse un droit administratif raisonnable.

Renseignements
7 Le ministre peut exiger qu'un dirigeant, qu'un administrateur ou qu'un employé d'un organisme qu'il croit être un organisme du secteur public lui communique les renseignements dont il peut avoir besoin afin de déterminer si l'organisme en question appartient au secteur public.

Retenue du financement
8 Malgré toute autre loi ou tout accord ou arrangement, le ministre peut ordonner qu'un montant ne dépassant pas 15 % du financement destiné à un organisme du secteur public soit retenu jusqu'à ce qu'ait eu lieu la divulgation exigée par la présente loi.

Observation de la *Loi*
9 Le fait de divulguer des renseignements en application de la présente loi ou de ses règlements ou de retenir un financement en vertu de l'article 8 est réputé ne pas constituer une contravention à une loi, un règlement ou un accord, que la loi ait été édictée, que le règlement ait été pris ou que l'accord ait été conclu avant ou après l'entrée en vigueur de la présente loi.

Règlements
10 Le lieutenant-gouverneur en conseil peut, par règlement :

a) définir davantage le terme « rémunération » pour l'application de la présente loi;

b) prendre, pour l'application du paragraphe 3(1), des mesures concernant la manière selon laquelle les organismes du secteur public ou certaines catégories de ces organismes peuvent divulguer les renseignements concernant la rémunération;

Appendix A (cont'd.) The Public Sector Compensation Disclosure Act

(c) for the purposes of sections 4 and 5, respecting the manner in which information may be disclosed;

(d) respecting information that must remain confidential notwithstanding the disclosure scheme of this Act;

(e) designating a person, organization or body to be a public sector body for the purposes of this Act if it does not carry on its activities for the purpose of profit and, in the opinion of the Lieutenant Governor in Council, it

(i) is substantially similar in nature to persons, organizations or bodies governed by this Act, and

(ii) receives a substantial amount of its funding from the Government of Manitoba;

(f) exempting any public sector body from the requirements of all or any part of this Act;

(g) respecting any other matter considered necessary or advisable to carry out the purposes of this Act.

Extension of time

11 Notwithstanding sections 2, 4 and 5, the first disclosure may be made at any time before December 1, 1996.

C.C.S.M. reference

12 This Act may be referred to as chapter P265 of the *Continuing Consolidation of the Statutes of Manitoba*.

Coming into force

13 This Act comes into force on the day it receives royal assent.

c) prendre, pour l'application des articles 4 et 5, des mesures concernant la manière selon laquelle les renseignements visés peuvent être divulgués;

d) prendre des mesures concernant les renseignements qui doivent demeurer confidentiels malgré le plan de divulgation prévu par la présente loi;

e) désigner à titre d'organismes du secteur public pour l'application de la présente loi les personnes, les organisations ou les organismes qui n'exercent pas leurs activités en vue d'un profit et qui, à son avis :

(i) sont, de par leur nature, en grande partie semblables aux personnes, aux organisations ou aux organismes régis par la présente loi,

(ii) sont financés en grande partie par le gouvernement du Manitoba;

f) soustraire des organismes du secteur public aux exigences de tout ou partie de la présente loi;

g) prendre toute autre mesure jugée nécessaire ou utile à l'application de la présente loi.

Prorogation de délai

11 Malgré les articles 2, 4 et 5, la première divulgation peut être faite à tout moment avant le 1er décembre 1996.

Codification permanente

12 La présente loi constitue le chapitre P265 de la *Codification permanente des lois du Manitoba*.

Entrée en vigueur

13 La présente loi entre en vigueur le jour de sa sanction.

The Public Sector Compensation Disclosure Act

Appendix A (cont'd.)

SCHEDULE

The following are public sector bodies for the purposes of this Act:

(a) a Crown corporation or other body that is subject to all or any part of *The Crown Corporations Public Review and Accountability Act*,

(b) a person or entity owning or operating a hospital as defined in *The Hospitals Act*,

(c) a person or entity owning or operating a personal care home as defined in *The Health Services Insurance Act*,

(d) a child and family services agency incorporated under *The Child and Family Services Act*,

(e) a municipality within the meaning of *The Municipal Act* or an incorporated community within the meaning of *The Northern Affairs Act*,

(e.1) The City of Winnipeg,

(f) a school board within the meaning of *The Public Schools Act*,

(g) The University of Manitoba, The University of Winnipeg and Brandon University,

(g.1) the University College of the North,

(h) a college established under *The Colleges Act*.

S.M. 1998, c. 51, s. 10; S.M. 2002, c. 39, s. 531; S.M. 2004, c. 16, s. 45; S.M. 2006, c. 34, s. 264.

ANNEXE

Sont des organismes du secteur public pour l'application de la présente loi :

a) les corporations de la Couronne ou les autres organismes régis par tout ou partie de la *Loi sur l'examen public des activités des corporations de la Couronne et l'obligation redditionnelle de celles-ci*;

b) les personnes ou les entités qui possèdent ou dirigent un hôpital au sens de la *Loi sur les hôpitaux*;

c) les personnes ou les entités qui possèdent ou dirigent un foyer de soins personnels au sens de la *Loi sur l'assurance-maladie*;

d) les offices de services à l'enfant et à la famille constitués en corporation en vertu de la *Loi sur les services à l'enfant et à la famille*;

e) les municipalités au sens de la *Loi sur les municipalités* et les collectivités constituées au sens de la *Loi sur les affaires du Nord*;

e.1) la ville de Winnipeg;

f) les commissions scolaires au sens de la *Loi sur les écoles publiques*;

g) l'Université du Manitoba, l'Université de Winnipeg et l'Université de Brandon;

g.1) le Collège universitaire du Nord;

h) les collèges fondés en vertu de la *Loi sur les collèges*.

L.M. 1998, c. 51, art. 10; L.M. 2002, c. 39, art. 531; L.M. 2004, c. 16, art. 45; L.M. 2006, c. 34, art. 264.

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